

JPRS-EER-90-039  
27 MARCH 1990



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# ***JPRS Report***

## **East Europe**

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JPRS-EER-90-039

## CONTENTS

27 MARCH 1990

### POLITICAL

#### BULGARIA

- Holiday Greetings From Orthodox Church Televised [*RABOTNICHESKO DELO* 19 Dec] ..... 1

#### CZECHOSLOVAKIA

- Dubcek Interviewed on Past, Present [*Hamburg DIE ZEIT* 16 Feb] ..... 2

#### GERMAN DEMOCRATIC REPUBLIC

- Law Journal Examines Rightist Tendencies [*NEUE JUSTIZ* Jan] ..... 5

#### POLAND

- POLITYKA Weekly News Roundup [*POLITYKA* 3 Feb] ..... 9  
 POLITYKA Weekly News Roundup [*POLITYKA* 10 Feb] ..... 11  
 Foreign Ministry Ambassadorial, Other Personnel Appointments [*POLITYKA* 3 Feb] ..... 13  
 Government Operations: Ministerial Staffing, New Operating Style  
     [*PRZEGLAD TYGODNIOWY* 4 Feb] ..... 15  
 Coalitions: History Main Barrier to Political Understanding [*LAD* 19 Nov] ..... 19  
 Young Christian Democrats Organize, Call for Supporters [*LAD* 12 Nov] ..... 22  
 PPS-RD Leader on Party's Political, Economic Program [*LAD* 28 Jan] ..... 23  
 New Polish Economic Party Formed [*TRYBUNA KONGRESOWA* 10-11 Feb] ..... 25  
 Catholic-Social Union Resolution on Past Mistakes, Future Plans [*LAD* 28 Jan] ..... 26  
 Union of City Presidents Formed [*RZECZPOSPOLITA* 26 Jan] ..... 27  
 Provisional President of Warsaw on Projects; Biographic Information  
     [*ZYCIE WARSZAWY* 29 Jan] ..... 28

#### YUGOSLAVIA

- Treatment of Political Prisoners in Croatia [*DANAS* 2 Jan] ..... 28

### MILITARY

#### POLAND

- Partial Dismantling of MiG-21 Force in Lask Noted [*ZYCIE WARSZAWY* 16 Jan] ..... 32

### ECONOMIC

#### CZECHOSLOVAKIA

- Equal Opportunity for Private Enterprise Needed [*Duesseldorf HANDELSBLATT* 3 Feb] ..... 33

#### GERMAN DEMOCRATIC REPUBLIC

- Schwerin Bezirk 1989 Economic Performance Reported  
     [*SCHWERINER VOLKSZEITUNG* 24 Jan] ..... 34  
 Underground Economy Revealed as Significant Income Factor  
     [*WIRTSCHAFTSWISSENSCHAFT* Feb] ..... 35

**HUNGARY**

China Contingent Trade Yields Oceangoing Vessels [NEPSZAVA 25 Jan] .....	42
--	----

**POLAND**

Spain Proposes Aid in Exchange for Investment Opportunities [RYNKI ZAGRANICZNE 30 Dec] .....	42
British Auditing Firm Enters Appraisal Market [RZECZPOSPOLITA 11 Jan] .....	43

## BULGARIA

### Holiday Greetings From Orthodox Church Televised

90EB0263A Sofia RABOTNICHESKO DELO  
in Bulgarian 19 Dec 89 p 8

[Statement of Holy Synod of Bulgarian Orthodox Church, signed as a body (BTA): "Our Duty Is To Love the Homeland"]

[Text] The most eminent members of the Holy Synod and I, as a body, are thankful for the opportunity accorded us by Bulgarian Television to extend greetings to you on the approaching Christmas and New Year's holidays with wishes for God's blessing, good health, happy, peaceful, and prosperous days for our beloved homeland, the People's Republic of Bulgaria, during the manifold transformations taking place in the material, spiritual, and moral spheres of our national life.

May the God of love and peace be with our good people and guide them in paths of national well-being.

Holy Orthodoxy is the traditional faith of the Bulgarian people. The Bulgarian Orthodox Church is bound up with the history and development of our people. It is a national and democratic church. For more than 1,100 years our church has unshakably withstood tempests and temptations, sacredly guarding the purity of the divine orthodox faith of the holy apostles and the establishments of the holy fathers. With zeal it has taught and nurtured believing compatriots, within our nation and without, in devotion to Holy Orthodoxy, which is the history of church and people over the centuries. To the Bulgarian Orthodox Church goes exclusive credit for the preservation of national self-identity, for the creation of a rich spiritual culture within our native confines. It has passed on and inspired in the life of our nation eternal spiritual and moral Christian values; during the years of servitude it fostered preservation of our native language, morale, and ecclesiastic and moral traditions—bright jewels and precious treasure of the Bulgarians. Our Orthodox Church by right and by merit is called a national church. Yesterday, today, and tomorrow it will remain immutably of the people, profoundly bound up with the spirituality of the people, fighting for unity and brotherly love along the rightfully chosen path of national prosperity and advancement.

During the period when our nation bore the heavy burden of material, spiritual, and moral exhaustion, the Bulgarian Orthodox Church was not spared either by the command-and-administrative system. Although throughout this period believers worked with a sense of civic involvement and an amiable heart wherever public duty to the fatherland summoned them, they encountered many obstacles in satisfying their religious needs.

Our church has lived and will live with the successes and difficulties of the homeland. Therefore it welcomes with complete approval the national striving for a structural

renewal process of the fatherland, for the creation of a highly civilized, democratic law-based state. It will, in good faith, contribute in every way possible to the achievement of loyal national unity; to the spiritual, cultural, material, and social elevation of the nation; and to the formation of personalities devoted to our fatherland and enriched with Christian and universal values. It will teach people to work zealously wherever duty summons them for, as we read in Holy Scripture, "In all labor there is profit: but the talk of the lips tendeth only to penury" (Proverbs 14:23), "If any would not work, neither should he eat" (II Thessalonians 3:10), "Now to him that worketh is the reward not reckoned of grace, but of debt" (Romans 4:4).

The national Bulgarian Orthodox Church, while remaining true to church and patriotic traditions, will, in our new times, given the opportunities that we hope the new Constitution and the Law on Religious Faiths will afford, make its contribution, by way of renewal, to effective labor in the various spheres of our economic life and to the creation of warmth, sincerity and cordiality in human relationships—personal, familial, and social.

The Holy Synod will judge on their merits some of the appeals made by the free democratic unions. It also has its own requests which, we are convinced, will be met in our democratic law-based state.

We are grateful for the opportunity that has been accorded to publish the Holy Bible, for the printing of the New Testament and Psalter that has been begun, for the increased quota of 1990 Orthodox Church calendars on deluxe paper, and for the publication next year in ample press run of liturgical and spiritual literature and other ecclesiastical acquisitions which will benefit the church and gladden our Orthodox Christians.

We are hopeful that we shall have the opportunity to participate even more significantly in our social life so as to perform with satisfaction our ecclesiastic and patriotic duty. In the fresh and profoundly renewed atmosphere the Bulgarian Orthodox Church will be accorded room to perform its mission of salvation and usefulness to the nation.

Our duty is to love our country and with love contribute to its prosperity. It is our duty to present as a gift the clean azure of clear skies and personalities, untarnished and unsullied by spiritual and moral corruption and degradation. May the rays of the dawn of the new day sparkle like crystal, may they shine enchantingly amidst the furrows of our peaceful labors and human relationships.

Let us give our hands no rest, let us diligently sow the seed of good in the furrows of our society and in the depths of the human hearth, and God will bestow the blessing of abundant fruitfulness for the prosperity of the whole nation.



## CZECHOSLOVAKIA

**Dubcek Interviewed on Past, Present**

90EC0339A Hamburg DIE ZEIT in German  
16 Feb 90 p 56

[Interview with Alexander Dubcek, by Renee Krausova; place and date not given: "How Far Along We Might Be Today Without the Invasion!"—first paragraph is DIE ZEIT introduction]

[Text] What a comeback! Alexander Dubcek, the hero of the Prague Spring, has, at age 68, returned to the political apex of his native country: as president of the parliament in Prague. For 21 years, banished and oppressed, but still true to the ideals of 1968, he has waited for this moment.

[DIE ZEIT] A year ago at a press conference in Bologna you said something to the effect that the last two decades have been a lost period of time for the CSSR. You were hardly talking there about yourself, your own humiliations, your personal trauma over these two decades....

[Dubcek] We do not have time today to deal with the past. There were daily atrocities that made the lives of hundreds of thousands a living hell, and there were high-ranking party functionaries who ordered this persecution, people who totally discredited the party and socialism. And everyone was obliged to behave loyally towards these people... Anyone who did not approve of the occupation as fraternal assistance lost his job and was persecuted together with his entire family.

This purge of "counterrevolutionaries" from the party was called "normalization." A Stalinist process. There were—but everyone already knows about this—unprecedented interrogations, house searches, and bugs not only in telephones. In my house there dozens of them. Everywhere. This witch hunt, this absolute isolation of friends was appalling. I suffered a great deal from it. For nearly 20 years, no one could enter my house without identifying themselves, without being questioned.

During that period, I thought, read, and wrote a great deal, but I never revised or renounced my position... I couldn't even talk to my colleagues in my forestry job, nor could I participate in the labor union meetings. I had to lead a shadow life. Still, I never had the feeling that I was a loser. Nor did I lose anything, I was defeated militarily. What is important is the idea, and it survived.

The end of the regime was impossible as long as the foreign- and domestic-policy constellation of the Warsaw Pact did not change. I sent dozens of complaints, letters to the secretary general of the CP [Communist Party], to Husak, the premier, to parliament, to the Slovak National Council. All of it remained unanswered and unsuccessful. I described the situation of the persecuted citizens, my own situation in a country in which lawlessness prevailed. Once, Husak shouted in the middle of a speech that I should simply pack my bag if I

didn't like it here, and emigrate to Sweden... Those were the times in which we lived, those were the people in whose hands our destiny lay.

By the way, many of my fellow citizens here were informed about my interviews by way of the underground press, interviews that were published in Italian newspapers and broadcast over the BBC. For me, this meant in turn that the interrogations began anew. I always had to be prepared for that.

My family, my wife, my three sons were a great source of support. Despite the surveillance, it was sometimes possible through them to get news from friends. It wasn't easy, coping with all that; former coworkers, neighbors did not say hello, because they were afraid or cowardly. Afraid for their own existence, for the existence of their children. But it was a surprise and consolation that, for example, my children's teachers and fellow students never treated them poorly.

What tormented me personally was that the original hopes that even after the invasion the ideas of the action program, the reform program of April 1968, would be further realized, were not fulfilled. On the contrary: A neo-Stalinist dictatorship, even worse than in Novotny's days, was established. Many adapted to the new situation: first with apathy, later with cynicism, hypocrisy, and corruption. Today, we are witnessing the fruits of these years—a devastated economy, a wretched ecological situation, morally depraved citizens.

[DIE ZEIT] Back in 1968 you understood that the overall European situation was in motion—despite the Cold War, which was still raging at the time. You demonstrated the courage to change the seemingly untransformable like none of the party secretaries in the Warsaw Pact states. The Prague Spring was supposed to allow the CSSR to free itself from its isolation. Still, at that time you failed to recognize that the CSSR was simply a vassal of the powerful USSR. With a view to this in particular, how do you see the further development of the "soft revolution"? What is the next stage?

[Dubcek] I would rather not subdivide it into stages. It is a process. What took place in our country in a few short weeks—you could even say days—was, as it were, the breaking of the camel's back after the last straw. Too much disappointment, too much anger had built up. The middle-aged and older generation, once reformers in 1968, but also many fellow travelers with the regime, joined the ranks of their demonstrating children, they accepted the demands of the young: pluralism, democracy, freedom... Some things have already been realized, at a breathtaking pace: the abolition of the party's monopoly on power, the election of a new government, the election of the new president of parliament, of the president of the republic, the election of new deputies to replace those who had to resign, and so on. In addition, the first significant economic and ecological decisions have been made.

Now, we are facing the most important task: preparing for free democratic elections on all levels of our society; political parties are forming and getting ready for the election campaign. Civil rights, a free market economy, freedom of speech and of the press, the renaming of our republic, of the Army, and of other institutions—all of this must be given a solid basis in law.

Gorbachev was given the title "Man of the Year." Without his policies, our "soft revolution" would not have been possible. He opened the door to freedom for the countries of Eastern Europe... And as far as our "return" to Europe is concerned, I feel that we must first put our own house in order so that we can become a partner again in all areas.

Over the past 20 years, our state system has quite simply failed to perform its function. All plans that should have guaranteed greater autonomy for the enterprises, more democracy, and less centralism were not realized. On the contrary. We must now implement a broadly structured decentralization of power in all areas of our societal existence by giving the market more opportunities, in the economy, for example. The national economy must be freed from the shackles of centralism, the people should act on their own authority, without directives from above. The enterprises in Bohemia and Slovakia will have the same possibilities, competencies, and authorities. In big industry as well, in heavy industry, there will be major structural changes.

[DIE ZEIT] It is known that the CSSR has an immense arms industry, and is even in seventh place among arms-exporting countries. What will happen to it?

[Dubcek] Even though we know that it will mean a severe blow to our state budget, we have recently announced an immediate end to arms exports. We too are currently disarming, meaning that gradually we will convert to other, nonmilitary production. This naturally entails major problems: new investments, retraining workers, and so on. But the time is right for it—all across the world.

As I said, we will endeavor to establish greater cooperation with our European neighbors. So much has changed in the West in recent years. I am thinking here about all the social improvements for workers, as well as the development of their democratic rights, which the labor unions, the socialists, social democrats, and democratic forces have implemented. The Western capitalist world—as we called it and subdivided it—that world no longer exists.

Our big mistake—one of many—was that we isolated ourselves to such a degree that we were not aware of these changes, because we had no opportunity to compare. Now, we must make up for all this. We must compare ourselves in the future to such countries, countries like Belgium, the FRG, France, Austria, Sweden. We want to learn a great deal from the social movements in these countries.

[DIE ZEIT] Economic experts believe that Czechoslovakia will be the first East Bloc country in which democratic reforms succeed quickly. After all, by mere virtue of the old infrastructure there is hardly any risk for Western investors here. But what sort of assistance does the Czechoslovak economy really need right now?

[Dubcek] Czechoslovakia, unlike other East Bloc states, has a highly developed, albeit outdated, industry. Even if we are behind Western industrialized nations today, we have a high level of technology here and highly qualified skilled workers. We must simply create the right conditions for them. It should not be forgotten that we also have outstanding craftsmen, who can look back on a long historical tradition. It is in all of this that I see the best preconditions for cooperation with the West. But we do not need loans, we need more investments, more cooperation on a qualified, equal basis.

What our young people need is experience in all areas of modern technology, production, and science. They need stipends so that they can learn modern management and labor organization. They need practicums in the West in order to test their theoretical knowledge in practice there. That is the assistance that we are hoping for from the West. Young specialists, from the FRG or Austria, for example, who would work for a certain amount of time in our enterprises—an exchange of experiences. Our young people are so eager to learn, so hungry for new ideas. I ask everyone who might be reading this interview to help out in this. That is the best course for rapprochement: working together.

Incidentally, that is also the course that we set out upon 20 years ago, with our action program. We oriented ourselves towards the modern leftist social movement in Western Europe, from whom we wanted to learn.

In the common European house, there can be no obstacle if two different social systems are living under one roof. In the future, rapprochement will involve both. Both are moving closer together right now.

Perhaps it seems astonishing that I, of all people, am talking about two different systems growing together. That is in conflict with my past, with the years in the USSR, where I grew up and worked for many years in the party apparatus. But in the interim I have clearly learned a great deal... On three different occasions, I have had to watch as so much was ground into the dust, annulled, things that only yesterday bore a halo, were sacrosanct, and I saw how darlings, heroes of the nation became first-rate enemies of the state, how schoolbooks were rewritten—three times within 10 years. Stalin did it in the USSR, and all the East Bloc countries, the vassals, followed him. The enemy was sought among the ranks of the party, found, and murdered.

I was changed by Khrushchev's short era, when he denounced Stalin's crimes. During that period, I completed my studies at the Political College in Moscow, the same one where Jakes studied as well. Instructed by these experiences, I gradually prepared for and formulated our

course in the direction of the Prague Spring. At the time, I wanted to implement political and economic reforms, but the brutal strength of the tanks buried my vision of the future. But for all of the 21 years since then, I remained true to my ideals, and today I have joined forces with the young generation, which wants a pluralistic, democratic society and appeals to the ideals of humanity and tolerance.

[DIE ZEIT] From 1939 to 1970, you were a member of the CP; for your entire life, your struggle was shaped by the communist idea. In recent months, we have witnessed the crisis, the decline of this ideology. Everywhere. What do you think today about communism, about the CP, which betrays all the ideals and sows animosity and hate in the name of socialism? The young people today, after all, are allergic to the very word socialism....

[Dubcek] Yes, I became an anti-Fascist underground fighter in 1939, and later I fought with a weapon in my hand. In 1921, my father was one of the cofounders of the Czechoslovak CP. We talked about communism and were still far short of socialism. Even then, it was my opinion that the program no longer corresponded to the original ideas. I broke with the Stalinist concept of socialism a long time ago.

Marx—and Lenin, too—lived in the period of emerging, early capitalism, and they could not predict its further development: specifically, that capitalism would assume other forms under pressure from social movements.

I mention this fact, which is not particularly new, only because all of us at the time, by which I mean to say the communist parties in the East Bloc, mechanically adopted the theses of "degenerating capitalism," the "advancing impoverishment of the proletariat," the "dictatorship of the proletariat," and so on, all those long-since outdated ideas, and we preached them with forcible methods. For me, however, the leftist social movement in Western pluralistic democracy showed the direction in which we should go quite early on....

Some 200 years have transpired since the French Revolution, it was smothered in a bloodbath, but its ideals, its ideas of equality, liberty, and fraternity have survived to this day, and in some parts of the world are still waiting to become reality.

I personally no longer belong to any party or any organization. Moreover, it is my duty and obligation as president of parliament to look after the democratic development of our country and the well-being of all citizens, and not to show preferential treatment towards one party or another.

Nevertheless, I would like to come back to one idea from the 1968 action program. At that time, we emphasized the need to orient ourselves towards the European left-social and social democratic parties. Today, that seems obvious, since Gorbachev himself, for the first time in the history of the USSR, invited representatives of these

parties to Moscow for the 70th anniversary of the October Revolution. But when we announced this intention, this program back then, the "Marxist-Leninists" in the Kremlin decided to crush this idea. That was the greatest disappointment of my life. We were branded as traitors. I was the most dangerous one. How far along we might be today without the invasion!

At that time, we had the moral and humane support of the German social democrats, Willy Brandt and Helmut Schmidt, for which I am still grateful today. We held on for 21 years, and are returning today to these ideas of 1968, in order to learn from the experiences of West European social democracy. We will not forget Willy Brandt's and Helmut Schmidt's support. It gave us the strength and confidence to wait patiently....

Today, I will do all I can to see to it that Czechoslovakia resumes its place in the center of Europe. In the future, Prague will again be equidistant from Paris, London, and Moscow. It is our desire that the country become part of the European Community as soon as possible; membership in the EC is only a matter of time. Soon, we will be drawing up a memorandum that could be of interest to the EC as well.

[DIE ZEIT] Some 45 years have passed since the Yalta Conference, at which the division of Germany first took shape. Now, the two states are to become one again. Are old fears returning?

[Dubcek] Allow me to say only this on that subject: You know that all European politicians right now are concerned with European integration and the security of their countries. Our policy too is in keeping with this interest. What is important is that the security of the borders be guaranteed—whereby I take it for granted that the process of German unification is an element of the European integration process.

[DIE ZEIT] Back then, in the short era of the Prague Spring, you received more letters from your fellow citizens in one month than your predecessor Novotny got in a year. The people opened up their hearts to you, with all their worries, but they also came forth with advice and ideas, offering help.... You trusted them. How does that look today?

[Dubcek] Well, I've only been in office for a short time, but the complaints, requests, and grievances of the citizens are already piling up on my desk. The letters reflect the current situation in our country. They talk about great suffering, injustice, and personal tragedies as well. Hardly any of them are anonymous. Many of the writers express their fears about the condition of the country, advise a slower, more deliberate pace, but many are also filled with impatience.

And many are filled with rage, they demand in the name of justice merciless punishment of all those who ran the country's economy into the ground. I am saddened by letters that depict events that are taking place today, weeks later, despite the "soft revolution." Upstanding



citizens, experts, who did a respectable job, are being harassed; often, personal scores are being settled. I would like to say to all of those who contend that these things are normal phenomena in any revolution: No—make humanity the guiding principle, a permanent one!

After long years of darkness, we have gained our freedom over night. We must learn to handle it and democracy. We should put a stop to the careerists and profiteers of the old system. But we must give the thousands who have lost their jobs a chance....

We want to quickly make up for the time we have lost. But we do not want revenge, no personal settling of scores with those who held us back for so long. That, too, demands a great deal of reason and strength of character—from all of us. Without exception.

I would also like to say to all my former fellow citizens who left their homeland for various reasons that we will greet them all with open arms if they ever have the desire to visit or return to their old homeland.

Yes, I am happy that we are able to live through these times....

## GERMAN DEMOCRATIC REPUBLIC

### Law Journal Examines Rightist Tendencies

90EG0192A East Berlin NEUE JUSTIZ in German  
Vol 44 No 1, Jan 90 (signed to press  
13 Dec 89) pp 16-18

[Article by Prof. Dr. Loni Niederlaender, Institute for Sociology, Humboldt University: "On the Reasons for Radical Right Leanings in the GDR"]

[Text] Since November 1989, the term "radical-right leanings in the GDR" has been one of the topics discussed in the media and at meetings.<sup>1</sup> In many quarters, people now are eager to know what caused this development. "Nobody should be upset about that today," said Siegmund Rotstein, president of the Union of Jewish Congregations in the GDR. In his view, much was swept under the carpet, other things were trivialized in the past. For reasons of ill-conceived shame, the public was frequently kept in the dark. Hence, we must ask about the causes sparking those occurrences and what encouraged the neo-Nazi and racial acts.<sup>2</sup> In most press reports they were suppressed and trivialized until the end of November 1989. Still, many different circles had been concerned about them as early as October 1987. Incidents that occurred all the time in the public and technical school system, in youth clubs and bars, in camps of the Society for Sports and Technology (GST) and on camp grounds provided for the families and friends of the victims of radical-right acts with new disturbing material for discussion. GDR magazines as well published a few articles about the Skinheads' assault on the audience of an October 1987 concert in Berlin's

Zion Church and their authors underscored the seriousness of the problem, asking pressing questions. Court reports, published in the aftermath of that event, of additional criminal behavior by rowdies, reflecting fascist and racist ideas—paras. 215 and 216 of the Penal Code, in combination with para. 220, sect. 3, of the Penal Code—largely agreed that such excesses were due to the impulse among young people to emulate what they see and hear on Western television and radio.

### Sociological Research Findings on Completed Criminal Proceedings

The files on completed criminal proceedings involving offences under paras 215 and 216 of the Penal Code, in combination with para. 220, sect. 3, of the Penal Code, provided sufficient information for sociologists to determine the causes of neo-Fascist radical-right tendencies in our country. The processing of these nonstandardized data into standardized mass data for the research population produced a representative result for this group of violators as well as for persons who are firmly integrated with the groups who committed these violations as a unit. However, we believe that there are other groups (in the sociological sense) besides the entire population of probands who espouse neo-Nazi ideas. (For lack of necessary primary data, the author of this article is unable to provide any information on them.)

In early 1989, the age structure of the population under investigation was as follows:

Up to Age	
17	15%
18	18%
19	20%
20-21	22%
22-25	22%
26 and older	3%

A comparison of the age structure of the research population in terms of the GDR's territorial division into Bezirke revealed that the results deviate only slightly from the mean value presented above.

The qualifications structure corresponds of course with the age structure but deserves separate consideration. The level of qualifications and training is as follows:

High school educations	6%
Apprentices	24%
Semiskilled workers	4%
Skilled workers	50%
Technical workers	2%
Without professions	14%

There are probands who did not complete any skill training and, in addition, are unemployed, but they constitute less than one percent of the population. A

tendency to commit criminal acts (para. 249, Penal Code until now) is not characteristic for the population under investigation.

FRG publications on the subject of rightist radicalism have made it possible to establish comparative values that show:

	GDR		FRG
	Bezirk A	Bezirk B	
Students/apprentices	29%	33%	30%
Skilled workers/students of technological schools	55%	48%	52%
Unskilled and semiskilled workers	16%	19%	18%
	100%	100%	100%

\* The GDR data are for 1983 (compiled from data in the 1989 Report on the Protection of the GDR Constitution (official document). An analysis should take the five-year time difference into consideration.

The age structure of the population also takes into account the parents' social position. Students and young adults continue to be strongly influenced by their parental home. In the case of families with both parents, the following table is based on the father's social position. In single-parent households, the social position of the parent, with whom the proband had grown up, was analyzed. The lack of precise data for some cases permitted only the following rough structuring of the parental social position:

Professionals	24%
Skilled workers	47%
Craftsmen	14%
Unskilled workers	15%

\* The category of craftsmen includes craftsmen who are either independent or work in cooperatives, independent dealers and those working on commission, and restaurant managers.

This contradicts the assumption that most persons in the research population came from socially unstable segments of the social structure.

Hence, the result of the biographical method of sociological analysis revealed a more or less equal-step-like ideologization process of the probands. The starting point are general unspecified social conditions of everyday life, not preexisting specific conditions. Like many other students, apprentices and young skilled workers, the probands themselves experienced, or observed in others, that honest efforts in their studies or in their work were of little value in guaranteeing social respect and the acquisition of material goods. The problems that caused and critical views were not openly discussed with older citizens. The reaction patterns most favored were attempts at appeasement and hypocrisy. These reaction patterns had the effect of reinforcing even more the prevalent attitude toward protest, of which the search for ideals and living examples is an integral part. In such a situation, any alternative offer is acceptable; the only requirement is that it opposes the social reality which is being criticized: Punk followers "got out of it" with "zero program" and with the slogan "Knock down whatever or whoever knocks you down!"; "Gruftys"<sup>3</sup> took refuge in irrationalist spheres and regained through

their music that long-lost feeling of intensive social relationships with like-minded people. Still others heeded the call of church organizations because they wanted to be for something, instead of always against something, e.g., by getting involved in burning economic initiatives. Also Skinheads groups, who borrowed their "ersatz ideals" from the original British Skinheads, had their place in this widespread and multifaceted structure.

Until about mid-1988, approximately half of the probands under research had been members of other movements, until they reached the preliminary final step in a group of Skinheads ("Final Step" is also the name of another band, whose productions are part of Skinhead music). The often-heard statement, "I used to be a Punker, but then I didn't like punk any more. Skinhead or Fasco<sup>4</sup> is better," was an issue for sociologist analysis. Why was it that some probands did not like punk any more? What caused their critical alienation from punk?

Most arguments were the typical ones: "My parents were glad I no longer ran around, looking like a Punk; Skinheads are clean-cut and disciplined and therefore real 'German'; they really stick together, one really gets a feeling of belonging." As a rule, it was friends and acquaintances who engineered the change of heart through social contacts. However, their fascination was based on the values and ideals the Skinhead groupings had meanwhile adopted by harking back to the social memory of the people, and that is what distinguished them vastly from their original British idols. Such concrete, one-dimensional alternatives for what are actually ethical-moral deficits maintain, "We are bringing back the efficient, clean-shaven German who has the respect of the world; what we need again is a people who are enthusiastic about their leaders; we are industrious and disciplined, and loafers must be put in camps to see what work is like; since 1945, Germany has been dragged through the mud and lost her values. Now we are ready to gain them back."

As early as 1988, large portions of the panoply of arguments were identical to the election-campaign slogans of the Republikaner in the FRG, who did not become known in our country until the second half of 1989. In the GDR, the radical-rightist tendencies are the outgrowth of the confrontation with today's generally

acknowledged state of distorted and deformed socialism and they are a return to the ideology of Germany's fascist past. Their development and expansion benefited from our inability, prevalent until October 1989, to come to terms with and resolve the problem. A discussion with the probands about their ideas also would have required a critical analysis of the reality and everyday life of our society, and that, in addition, would have to be achieved on the basis of state authority. Thus, neo-Nazi currents developed in the GDR at the very time society suffered from political, moral and economic decay. The social structure of the probands and their social environment indicate that no social segment or group of the social structure of society was not affected, and that underscores the all-German character of the problem.

### Reasons for the Criminal Behavior

A sociological examination of anonymous mass data points up two sets of reasons that the criminal offenses analyzed here took place. They are the existence of a social group and the existence of a motivating ideology. The group is the collective bearer of the ideology, and the ideology determines the group's existence through practical behavior based on the ideology.<sup>5</sup>

About 80 percent of all crime victims involve specific groups. The remaining 20 percent consist of arbitrarily selected victims and others who could not be identified in the documents<sup>6</sup> on the basis of illuminating background information. The spectrum of the target groups consists of Punks, Gruftys, citizens of foreign countries with a different skin color, homosexuals, and members of their own groups who are subjected to "punishment examples."<sup>7</sup> The sequence depends on the ranking of frequencies. It needs to be supplemented by victims who are members of armed organizations. The data cover the period prior to June 1989. It is quite possible that changes occurred in the fourth quarter of 1989.

The assailant is the group, not the individual. In attacks persons who are members of these target groups, the attackers always outnumber the targeted victims. Very often an individual answers the question of how much he himself contributed to the act by saying, "I don't know why I did it. Maybe because everybody else in my group was doing it. Whoever wants to be part of the group, has to participate. I didn't want to lose my buddies." The absolutely definitive answer to the question on why the group committed the criminal act is: "Because Punks stink; because I dislike homosexuals; because the negroes touch our women; because he did not show respect for us." The motives are the same everywhere in the GDR, and they did not change between 1987 and mid-1989.<sup>8</sup>

Their motives and arguments are based on the group's conviction that people must be considered unequal, that Germans are the elite of the world's population and that they, therefore, are entitled to the feeling of superiority vis-a-vis others. Not only must this claim be postulated, but it must be carried out. And in order to carry it out, the use of force is permitted.

In all probands, the claim to membership in the elite takes the form of racism, anti-Semitism, and anticommunism.<sup>9</sup> Their slogans have a simple formulation, are easy to remember and are the same throughout the GDR. Thus the group is always willing to attack whenever the right victim comes along.

Then the individual legal suits determined how the act was committed and what bodily harm it caused. Here ideology could not be the subject of the hearing. However, since it was not dealt with anywhere else either, the public affected by the criminal offense reached different conclusions. The preparation of an exact quantified sociological analysis would have required the collection of comprehensive data; however, it was impossible to obtain permission for such an effort prior to November 1989. Hence, here again, the following compilation is based on documents and events directly related to completed criminal procedures:

a) The audience in public court hearings, parents, friends and coworkers from collectives felt that the lawsuit expressed arbitrariness on the part of the state: only in rare instances did the degree of bodily harm inflicted on the victims exceed that of bar brawls, and most of those of those cases are handled by the arbitration commission or punished by the imposition of administrative fines.

b) Other members of the collectives could not understand why the hearing of evidence focused on the details of the bodily injuries, since the criminal offense had been motivated by ideology. They accused the court of not doing enough, in their opinion, to protect society from neo-Nazi tendencies.

c) Punks, the permanent target group of violent acts by neo-Nazi groups, drew their own conclusions on their situation. Often watched by the police with suspicion, labeled a negative group and rejected by some people as bogeys of the middle classes because of their outward appearance, they were the ones who could least count on helpful support. As early as 1988, they began to defend themselves against fascist and Skinhead groups, tried to band together to avenge with their fists any assaults on their apartments. They were forced to align themselves against the ideas of their tormentors and formed the Anti-Nazi League (called ANL).

d) As a rule, accidental witnesses to violence left the scene of the crime in a hurry without assisting the victims.

e) In the work collectives, it was often known long before the assault occurred that the proband with neo-Fascist ideas looks at the world, that he decorates himself with SS [Nazi elite troop] symbols, and behaves accordingly. Shrugging their shoulders, most ignored it.

Overall, the various segments of society demonstrated a lack of knowledge about sociopsychological reaction patterns in terms of radical-rightist tendencies, in general, and neo-Fascist tendencies, in particular.



### Differentiating Factors

The proband's own social position and that of his parents proved to make no difference in the type of criminal acts committed, his attitude towards the group (secrecy, discipline), his attitude towards reading, work discipline, and favorite leisure activities.

This finding, borne out by facts, differs from sociological findings in general. In any normal population, the socio-structural position is a strong differentiating influence. This was not true for the research population. We believe that the group, of which the proband is a member, had such a strong binding effect on him while he was growing into it, that after a certain time period the sameness we observed had been accomplished. Unless he is able to conform, he can no longer stay with the group.

Biographies by the members prove the strong social power the neo-Fascist-oriented group can exert on their followers. A special children's home, young people's home or training center for the young people, or the breaking off of apprenticeship as a result of loafing are entirely compatible with graduation from high school later on, successful completion of the apprenticeship, training as a master craftsman and attendance at adult education courses in order to graduate. The constant challenge of group activities helps build character and develops leadership qualities. Some 10 percent of the population demonstrated those qualities. However, there are groups of losers whose alcohol consumption was probably used as an additional way for shaping their willingness to assail victims.

A general characteristic is that they are very good at organizing their common leisure time. Leisure-time organization includes the development of ideology indigenous to the grouping, e.g., marching in accordance with documented moves of military units in famous battles.<sup>10</sup> From the sociological point of view, the distinction the criminal justice system has made between ringleaders and followers or so-called hangers-on as a constructive start of potential problem solution is of little help. This view is too much based on classical criminal groups which public social consensus has already expelled from society because of the crimes they have committed. We are dealing here with an integrated concept. And this concept, too, has two sides:

a) the concept of social integration into the small group as a part of a large "movement," and

b) the concept of integration into society, transmitted via tradition-steeped useful value orientations, aimed at gaining legality within the political system.

The ideologized "hanger-on" sees the collapse of his feeling of self-worth, which depends on his membership in the group, unless he manages to meet the behavioral demands of the group. Up to now, society has been unable to offer him an adequate substitute.

So far, the breakup of the hypocritical attitudes in GDR society, which started in late October of 1989, has not been able to solve this problem in a positive way. In addition, actual events confirm and support past arguments with respect to the loss of value and the economic, political, and moral decay for which neo-Nazi ideas offer a productive alternative to "Germany's salvation." It is against this background that we have to look at the statements made by Franz Schoenhuber, chairman of the extreme-rightist Republikaner Party in the GDR, namely, that we can expect more assistance from the GDR than from the FRG.<sup>11</sup>

But even if fascism and national socialism were reformulated in line with recently expounded viewpoints, and even if the quality of history taught in adult education classes were to meet the high quality demanded in the recent past, there is no chance, because of the condition our society is in, to bypass radical right tendencies or be spared by them.

Limiting the discussion of neo-Nazi motivated crimes to the law, as they used to do prior to November 1989, is partly responsible for the currently widespread feeling of helplessness. Not only teachers are asking the question, "Well, what are we supposed to do?" Before November 1989, limiting the defense was largely designed to prevent long public debates. This, in turn, blocked the opportunity to sensitize citizens who were attracted by such ideological overtures without realizing how they can hurt themselves and society by what they are doing. Only through public debate do we have the opportunity to defend humanism, urge respect for all human beings, make the rule of law the true basic norm of individual behavior and to once again establish the willingness of helping those who need help as our spontaneous behavior. Here, the law can only support, but not guarantee anything. That guarantee is embedded in the basic norms of the social behavior of the masses. Rational and emotional experiences of the legal profession are no doubt on the plus side of our the balance of powers.

### Footnotes

1. The film "Our Children," presented at the 1989 Documentary Film Week in Leipzig, was the first GDR entry on Skinheads in their home country.

2. Cf. NEUE JUSTIZ, 9 Nov 89, p. 7.

3. Fashion and music trend with death cult: beginnings of necropolis, mostly black garments and faces painted white.

4. Name chosen by grouping itself for its neo-Nazi orientation; usually distinguishes itself from Skinheads by HJ (Hitler Youth) haircut, mustache, jogging pants, or without any outward conspicuousness.

5. Here, lines of communication and organization should be covered in detail as part of the complex system

of requirements and the transfer of ideology and reproduction. The comprehensive explanations that would be necessary to achieve this cannot be provided here.

6. Documents as sociological methodological concept: written official information, files, protocols, assessments, etc.

7. A more exact analytical treatment is also needed for groupings and their own victims. The rituals of "punishment examples" are psychologically explosive because of their ideology-strengthening effect.

8. Cf. footnote 5

9. A detailed analysis is necessary of the similarities and differences of how the NSDAP [National Socialist German Workers Party] conceptualized its propaganda during the 1931-33 period and their specific contents.

10. The practical impact of the actively organized work of individual small groups on the basis of neo-Fascist-oriented ideological concepts requires careful analysis. Limitation to a few abstract statements would distort the real significance and the differentiated concrete characteristics. An adequate discussion will have to be undertaken somewhere else.

11. Cf. NEUE JUSTIZ, 9-10 Dec 1989, p 5.

## POLAND

### POLITYKA Weekly News Roundup

90EP0322A Warsaw POLITYKA in Polish  
No 5, 3 Feb 90 p 2

[Excerpts]

#### National News

The Sejm approved a government resolution to form a commission to determine the legal status of the property of political parties and youth organizations and to recover state property. This property, if it was gained or used in a manner contrary to the law will be immediately returned to the proper owner, both state and private. The commission consists of the ministers: A. Hall, J. Ambroziak, J. Ciemiński, M. Dąbrowski. The government opposed the proposal made at an earlier Sejm session by deputy Jan Łopuszanski in the name of 133 deputies (including about 100 of the Citizens' Parliamentary Club) that calls for the nationalization of the property of the PZPR. (Minister Hall: "Today nationalization of PZPR property, tomorrow nationalization of the property of some other detested party or trade union." [passage omitted])

The 11th congress ended the operations of the Polish United Workers' Party. The founding congress formed the Social Democracy of the Republic of Poland (SdRP). Aleksander Kwasniewski (age 38) was elected the chairman of the Main Council of the new party. He is an economist, student activist, journalist, and in 1985 he entered the government as the individual responsible for

youth affairs. Leszek Miller (age 44) was elected the secretary general. He is a political scientist, youth and party activist, and since 1988 a member of the Politburo and secretary of the PZPR Central Committee. Both were participants in the roundtable. A second leftist party was also founded during this period: the Social-Democratic Union of the Republic of Poland, which is lead by Tadeusz Fiszbach, the deputy marshall of the Sejm. [passage omitted]

There has been a revolt in the SD Deputies' Club: a group of six deputies has sharply criticized the party leadership: in a declaration ("the neo-Stalinist system hampering progress") and the activity of the club. After a debate and vote of confidence, Zbigniew Rudnicki was removed, and Tadeusz Bien elected ("a representative of a much younger generation," writes the KURIER POLSKI, who, in the June elections "also had the support of Gdansk Solidarity."). [passage omitted]

**Farmers' Protest.** A group of farmers from the Jelenia Góra unit of Solidarity picketed the Sejm with signs "we demand changes in the government's agricultural policy" (in August 1989, a farmer received 15,000 zloty for a quintal of wheat and in January 1990, 70,000 zloty; while he paid 47,000 zloty and 1.95 million zloty, respectively, for a ton of ammonium phosphate fertilizer. Farmer Jozef Groch chained himself to a column to protest the high interest rates on loans (in January he was to pay 20 million in interest on a loan for a tractor).

Lech Walesa met with Tadeusz Fiszbach, deputy marshall of the Sejm, a PZPR deputy. The Solidarity leader said of his partner: "Tadeusz is a man of understanding, tested understanding. Thus, we had few differences for there were not so many of them earlier." The meeting was held on 22 January 1990 at the offices of NSZZ Solidarity in Gdansk.

The president's press spokesman gave the press a declaration which says, among other things: "The president supports pluralism and the equal treatment of all socio-political structures. Simultaneously, he takes the position that the ignition of political antagonisms and emotions, the creation of accomplished facts, and violations of the law should be systematically countered."

The weekly VETO called for a "consumers' lobby" to boycott goods which have reached the highest prices: cheese, the most expensive types of butter, sour cream, the most expensive meats—sirloin, smoked ham, ham, ham sausage, fish—and other articles that spoil easily. The editors also called for limiting purchases of sugar, flour, sweets, and cakes between 22 and 27 January 1990.

At the coal mine in Bogdanka, strike readiness was called off, but the conflict continues. Among the 23 proposals of the workers, only one has been resolved: the earnings of miners who work underground were raised an average of 250,000 zloty (other workers received a raise of 150,000 zloty). The plant Solidarity organization is demanding the removal of the director and his assistants.



The minimum wage has increased: it is 120,000 zloty for a full month of work time. In conjunction with the increase, the per diem for food for workers on trips increased to 8,400 zloty, and the per diem for housing to 12,600 zloty, the per diem for separation from home to 7,800 zloty.

**Who's Who News.** Jan Bury, the head of the National Dormitory Council of the Union of Rural Youth, a member of the Polish Peasant Party "Rebirth," and a law student in Rzeszow, was elected the new chairman of the Union of Rural Youth. Zbigniew Jujka was elected the president of the Association of Polish Satirical Artists; Eryk Lipinski, his predecessor, was elected honorary president for life. The editorial staff gave the current editor in chief of *EXPRESS WIECZORNY*, Ryszard Lukaszewicz, a vote of no confidence (49 supported the motion, 18 opposed, 6 abstained). Jerzy Boleslawski has been removed from the position of president of Warsaw; Stanislaw Wyganowski has been designated to fill the position until an election is held.

**The Press Market.** In spite of rumors, the well-edited, popular quarterly *KRAKOW* will continue to appear thanks to support from the city fathers. It is not known, however, whether it will be possible to save *ZYCIE LITERACKIE* published in Krakow. The Association of Polish Journalists, which "considers itself a political support of the current government and the reform camp," has demanded the fixed assets and the property given to the *Prasa-Ksiazka-Ruch* Workers' Publishing Cooperative illegally be taken away. Solidarity activists employed at the Workers' Publishing Cooperative are also demanding the nationalization of the assets of their firm.

In Warsaw during 1989, there were 48,574 state enterprises, cooperatives, and private firms; 3,694 ceased operations. There were 44,880 enterprises at the beginning of 1990. During the first three weeks of January 1990, 867 ceased operations, and 1,252 temporarily ended their registrations. The greatest losses occurred in retail sales and transportation. It is also reported from Gorzow that between 15 December 1989 and 15 January 1990, 262 retail and service outlets ceased operations (including 6 clubs and cafes belonging to *Ruch*). [passage omitted]

### In Europe

Boris Yeltsyn announced that in the March elections to the parliament of the Russian Federation he will seek the position of chairman of the Supreme Council. Asked about problems which should be solved first, he listed regulating the nationality issues. "The autonomous units should gain complete independence. Autonomy should also be given to the smaller nationalities. More attention needs to be paid to the Russian people. That is not chauvinism, but a necessary prerequisite for national rebirth. Today Russians are dispersed all over the country and in many republics they make up a significant portion of the population. It is very important they know that Russia is creating jobs and living conditions and that it is ready to receive Russians at any moment. [passage omitted]

"Every third resident of the GDR is living with his bags packed and ready to depart," said Lothar de Maiziere, chairman of the Christian Democratic Union of the GDR. In his opinion, "if the results of the elections disappoint the population of the GDR, then 2 to 3 million individuals will move to the Federal Republic."

A series of publications has discussed the details of the conspiracy prepared by the BCP and army against Todor Zhivkov 25 years ago in the Bulgarian press. Journalists have taken up the topic after the decision to rehabilitate Ivan Todorov-Gorun and Gen. Cujatko. Ivan Todorov-Gorun, who held the position of deputy minister of agriculture in 1961, was supposed to head the conspiracy. According to the official version maintained for many years he committed suicide in April 1965. At present all the publications say that Gorun was murdered in his own house by functionaries of the special services on orders from Zhivkov. During the trial of the conspirators nine individuals were sentenced and 200 officers were expelled from the army.

The federal government of Czechoslovakia has approved a proposed law to change the name of the Czechoslovak Socialist Republic to the Czechoslovak Republic and has also approved removing the word "socialist" from the names of both republics. [passage omitted]

Three Romanian political parties opposing the current Front of National Reconciliation have demanded participation in the government and the formation of a broad coalition that would include representatives of all political forces. They have accused the Front of monopolizing power and exercising a dictatorial government after overthrowing the regime of Ceausescu. The recent announcement by the Front that it will transform itself into a political party and participate in the election announced for May aroused the particular dissatisfaction of the opposition parties.

In Albania, "the calmest of the European countries," as Socrat Plaka its deputy minister for internal affairs, has called it, there were numerous protests which in the opinion of Albanian refugees show society's readiness to overthrow the government. Several thousand residents of the city Shkoder made an attempt to destroy the Stalin monument in the central square. The police filmed the events, and then arrested about 60 individuals who after being held a dozen or so hours were released.

### Opinions

[passage omitted]

*Mieczyslaw F. Rakowski:*

(Interviewed by Ryszarda Socha, *WYBRZEZE* 21 January 1990)

[Question] Until now no one has taken care of the young personnel; thus we must expect that people untested in action will appear and the leadership of the new party will be formed over several shifts. A quite probable version.

[Answer] For many years the PZPR was not at all interested in cultivating thoroughbred, brilliant, independently thinking politicians. Only the voluntary social activist functioned. I must say with satisfaction that during the recent struggles, or even earlier, during the roundtable, among those between 30 and 45 several comrades stepped forward of whom it is possible to say they are candidates for leaders. However, again, I draw attention to the question of wisely joining the values that the young and old contribute. If I took Wiatr with me to Rome for talks with Craxi and Kwasniewski with me to Spain, there was a reason. I consider them talented people with outstanding leadership qualifications. But they must become known outside of the country.

*Prof. Dr. Marian Orzechowski, chairman of the PZPR Deputy Club:*

(Interviewed by Ludmila Chalecka-Polocka, GAZETA WSPOLCZESNA 10 January 1990)

[Answer] We must be realists and understand clearly that a defeat for the Mazowiecki government does not mean a return to power by the left. Those who think this way are greatly mistaken. The signs of dissatisfaction with the Mazowiecki government appearing here and there are not in the least signs of sympathy for us, the left. To the contrary, dissatisfaction with the Mazowiecki government is only deepening the hate for us. The measure of the position of the left should then be, I think, not opposing the Mazowiecki government, but searching for ways to cooperate in raising the country out of the crisis. [passage omitted]

*Prof. Dr. Wieslaw Chrzanowski, chairman of the Christian National Union:*

(Interviewed by Halina Retkowska, GAZETA KRAKOWSKA 29 December 1989)

[Question] Professor, are you not demonizing the significance of the nation? As if we were not living in a period when the realization of the idea of a United States of Europe is ever closer.

[Answer] In the declarations, perhaps. But the issue is how and on what principles. Still today people are most rooted in their national culture. Nothing better has been invented. We are very carefree and naive in believing that we will succeed individually in melting into a pan-Europeanism. We will not melt into it, we will simply dissolve in it! For me there is no doubt that would mean resigning from national sovereignty.

### **POLITYKA Weekly News Roundup**

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[Excerpts]

#### **National News**

[passage omitted] STATYSTYKA POLSKI, a supplement to RZECZPOSPOLITA for 1 February 1990, contained a

report from Central Office of Statistics on the socioeconomic situation in 1989. The national income produced in the socialized sector fell over the year by about 2.5 percent, and in the private sector increased by 11-12 percent. The national income distributed was still lower than in 1978 by about 6 percent, and per capita by about 13 percent. The increase in prices (in comparison with December 1988, equal to 100, in relation to December 1989): food 978; alcohol 759; nonfood items, 630; and services, 541. Transaction prices for exports, 806 and for imports, 707. The greatest increase in prices occurred in the fourth quarter (for example, in relation to the previous quarter, food prices increased in the first quarter by 20 percent, in the fourth quarter by 177 percent). The cost of living increased last year by about 254 percent for families of workers employed in the socialized sector, and by about 244 percent for farm families (not counting consumption of food from their own farms), and by about 258 percent for families of retirees and pensioners. Near the end of 1989, worker families earmarked about 55 percent of their expenditures for food, and retirees about 65 percent (year-earlier levels were, respectively, 39 and 47 percent). The average monthly wages in the five sectors of the economy: in the first quarter, 88,900 zloty; in the second quarter, 113,200 zloty; in the third quarter, 215,800 zloty, and in the fourth quarter of 1989, 431,900 zloty. During the last quarter, the nominal increase in wages was 100.1 percent, and real wages declined by 21.6 percent.

Analyses of the membership of the 150-member Main Council of the Social Democracy of the Republic of Poland are continuing. Among the 97 members of the Council elected directly at the Congress (50 places are filled by representatives of the voivodships and the military, elected by a separate method and confirmed by the congress), 27 belong to the 8 July Movement including the leaders L. Jaskiewicz (age 41), T. Nalecz (age 45), and Z. Siemiatkowski (age 33); 13 are members of the current PZPR Deputies' Club; 8 were members of the previous Central Committee, including Z. Sobotka (age 38) and L. Miller (age 44), who were members of the Politburo. The oldest member of the Main Council is Prof. Jerzy Wiatr (age 59) and the youngest is 19-year-old Edyta Kwapich. I. Sekula, a former premier in M.F. Rakowski's government, received 859 votes, the largest number. J. Majka (810 votes), editor in chief of TRYBUNA LUDU, W. Swirgon, editor in chief of CHLOPSKA DROGA and a former secretary of the PZPR Central Committee, Bohdan Poreba, firm director and Grunwald activist, all lost out in the elections. Aleksander Kwasniewski, chairman of the Main Council, recommended 60 candidates to the councils from his "own slate"; they all went through with a majority of the votes.

The Congress of the Social Democracy of the Republic of Poland adopted a special resolution to create a theoretical, political journal devoted to Polish and international social democracy, and it assigned the task to M.F. Rakowski.

At a meeting with railway workers, Lech Walesa: "I would like for a new left to be formed; I thought that Kwasniewski and others would separate themselves from

the PZPR and would not allow themselves to be repainted. They are not due any assets, for with the assets they take upon themselves responsibility for murders. I can say nothing more or anything more bitter."

Aleksander Kwasniewski, chairman of the Main Council of the Social Democracy of the Republic of Poland, sent a letter to Lech Walesa in conjunction with the above comment. He writes, among other things: "The Social Democracy of the Republic of Poland is a new party. Anyone who desires to join it must once and for all say farewell to a longing for the dictatorship of the proletariat, 'the leading role,' or 'unique correct solutions.' But it is not possible, however, to deprive anyone of the right to a new evaluation of the situation. We defend the right to a public and political presence for those members of the former PZPR, who strove daily to perform their occupational and civic duties as well as possible. You, Mr. Chairman, should not put them up against the wall!"

The Parliamentary Club of the Democratic Left (abbreviation PKLD), which includes deputies of the former PZPR (22 belong to the Social Democracy of the Republic of Poland, 30 are founding members of the Social Democratic Union, and 116 chose independent status) has been formed.

**The Markets.** The National Bank of Poland has reduced the interest rate on loans in February to 20 percent (in January it was 36 percent). In conjunction with this, the Polish Security Bank has reduced the rates on savings deposits: demand deposits, 5.5 percent; three-year deposits, 21 percent; one-year deposits, 20 percent.

Ursus has taken advantage of its right to set prices freely and raised the prices of tractors by 50 percent. The cheapest costs 30 million zloty beginning 5 February; the most expensive, 132 million zloty (in January sales of agricultural machinery fell by 60 percent). The post office has raised its rates: a regular letter to the socialist countries costs 350 zloty; to other countries, 1,500 zloty; addition charges for express or certified, 4,000 zloty. A one-minute call to the USSR, 1,230 zloty; to the FRG, 6,050, to the United States, 23,100 zloty, to Egypt, 68,460 zloty. A telegram to the United States, 5,880 zloty per word. EXPRESS WIECZORNY reports another price increase for drugs—1,250 items by an average of 330 percent. (The price of effervescent calcium tablets will jump to 4,000 zloty from 450 zloty.) On the other hand, color televisions can be bought at the Polkolor factory store; televisions can be bought more cheaply than in retail stores, because there is no markup, and so a Schneider set costs 6.8 million in the factory store (with the markup, 9.1 million).

The Association of Polish Journalists has published a declaration warning that many press titles "known for their antidemocratic attitudes are making superficial changes, striving to regain social credibility." This effort arouses the fear among the members of the Association of Polish Journalists that a "new form and new language

will remain only a packaging for old totalitarian contents." The Main Board of the Association of Polish Journalists protests strongly against the personnel policy of the leadership of radio and television which "permits conducting political programs and also advancing individuals particularly compromised in previous years." The Association of Polish Journalists also draws attention to the fact that correspondents "who due to their political past and confessed views cannot be sources for informing public opinion" not only remain foreign correspondents but are even newly reappointed. (Later, it added that they cannot be the "only" sources.) The editors of SLOWO POWSZECHNE attacked by reference to its name protested against the declaration: "Perhaps the Association of Polish Journalists desires to provoke us to enter upon the path of settling accounts and to take up, for example, where, on which side the Association of Polish Journalists was during the decades of the People's Republic of Poland, especially during the Stalinist and poststalinist periods, and what kinds of methods it wishes to use today to give itself credibility."

The Monopol Hotel in Gdansk is to be bought for 20 billion zloty from Orbis and used as the office of the central authorities of Solidarity. One hundred employees of the hotel (they have already been dismissed) have announced a protest action. Of the members of the voivodship people's council, 124 voted for purchasing the hotel out of the voivodship budget and 26 abstained.

**From the Religious Life.** The New Main Board of the Union of Rural Youth has had its the central offices blessed. In each room of the Novotel in Warsaw there are copies of the Bible in three languages.

The Ministry of Internal Affairs has issued a ban on the burning of records as a result of reports that records under the control of the ministry had been destroyed.

A decision by Kazimierz Olesiak, president of the Polish Peasant Party "Rebirth," and by Franciszek Kaminski, president of the Polish Peasant Party. "The peasant party members organized in both parties have adopted a joint program based on agrarianism as our inheritance from the great leaders of the nation—Wincenty Witos and Stanislaw Mikolajczyk.... The Polish Peasant Party "Rebirth" and the Polish Peasant Party form one organization—The Polish Peasant Party." [passage omitted]

**In the Press.** TRYBUNA KONGRESOWA, which has replaced TRYBUNA LUDU, has changed the editor in chief. Marek Siwiec (age 35), who is currently the editor in chief of the student weekly ITD, a member of the Main Council of the Social Democracy of the Republic of Poland, was named to replace Jerzy Majka. The SZTANDAR LUDU published in Lublin is now appearing as the DZIENNIK LUBELSKI and is presenting itself as a "new, pluralist paper dependent only on its readers." In Lodz, GLOS ROBOTNICZY is appearing as GLOS PORANNY, an independent paper.

**Who's Who News.** General Jerzy Cwiek has been removed from the position of president of the Main

Customs Office; the premier has named Tomasz Bartoszewicz (age 43), who graduated from the Moscow Institute of International Relations with a doctorate in political science, a union activist released after 1981 from his position in the Main Customs Office, and recently a unaffiliated journalist with RZECZPOSPOLITA, to replace him. Wojciech Topinski has been named president of the State Insurance Bureau, replacing Zofia Tarasinska. He is 42, an economist, a Solidarity activist, recently director of a stock company. Adam Jerschina has been removed from the position of president of the Supervisory Council of the Hard Coal Community; action has also been initiated to release him for disciplinary reasons as an advisor to the minister. RZECZPOSPOLITA reports the reason was "not his views, but the bottle," "scandalous behavior" (he conducted meetings while under the influence of alcohol). Only GAZETA WYBORCZA recalled on this occasion that when Jerschina was named in December 1989 to the above mentioned position, he was chairman of the Solidarity National Commission for Mining. [passage omitted]

#### In Europe

[passage omitted]

#### Opinions

*Stanislaw Obertaniec, senator:*

(Interviewed by Jolanta Makowska, PRZEGLAD KATOLICKI 28 January 1990)

[Answer] Is there a danger of becoming economically dependent: this time on the West? Yes. We must take such a possibility into consideration. I am a member of the Senate Commission for Contacts with Polonia and in conjunction with this I sometimes experience internal dissension. Theoretically, I should demand and opt for a double citizenship for our compatriots living abroad, but I realize that in some cases it is possible to exploit such a situation against our interests, for example, to circumvent the law by appointing individuals with Polish citizenship, who, however, represent some powerful foreign concern which might purchase part of a Polish enterprise. Thus, it is necessary to introduce the appropriate assurances into the law.

*Leszek Moczulski, leader of the Confederation for an Independent Poland:*

(Interviewed by Jerzy Tomaszewicz, DZIENNIK POJEZIERZA 20-22 January 1990)

[Question] What do you think will happen now? Perhaps you would risk sketching a scenario of upcoming events?

[Answer] What can happen? Either there will be free elections, or there will be a social explosion in 1990. That is the general outline. But projecting the future on a smaller scale: either the government changes policy and not just economic policy, or it will cease being the government and be changed itself. That forecasts a

difficult time of rapid changes and violent political, economic, and social strain for us all. Many difficulties, shocks, shattered hopes, and growing hopes await us. May the last one prevail.

*Gen. Franciszek Kaminski, president of the Polish Peasant Party:*

(Interviewed by Jerzy Kania, DZIENNIK LUDOWY 26 January 1990)

[Answer] I am afraid that perhaps a kind of nobility may be formed now.

[Question] Do you note fears?

[Answer] Yes. They say "I was in Solidarity, I have a right to govern." Or "I was imprisoned in a criminal prison, I have a right to a position." And you do not know why he was in prison. And so it goes. A mass of deputy ministers has been created. In the office of the Council of Ministers there is a large number of deputy premiers! And an uncounted number of positions, of various commissions and subcommissions. So that, for example, for a deputy premier, peasant party member, there was initially no office. In the Ministry of Finance there are eight deputy ministers. Before the war each ministry had one, at most two, deputy ministers. In such offices there is no need for political positions, only for managers to direct the economy. And there are not any of them. In the Ministry of Education, there are eight deputy ministers and two director generals of ministerial rank! Who is paying for that? Poland. With the taxes of farmers and workers.

I notice entirely too little state instinct. On the other hand I see hands being held out for the national assets.

*Wlodzimierz Kalicki, journalist:*

(GAZETA WYBORCZA 23 January 1990)

"The recent numerous calls for limiting or liquidating the remains of defense training for young people are frivolous. The process of detente in Europe is not threatened by shooting from air guns and sport rifles, but by rockets and modern air forces, which we do not have, and by armored divisions, in which we have reduced the number of tanks. Pacifism undermines the sense of rifle training and of military service, and calls for further reductions in defense expenditures today are naive—tomorrow they may be dangerous."

#### Foreign Ministry Ambassadorial, Other Personnel Appointments

90EP0348A Warsaw POLITYKA in Polish  
No 5, 3 Feb 90 p 8

[Article by Barbara W. Olszewska: "Personnel Section: Movement in the Embassies"]

[Text] Filling positions in embassies still arouses emotions: it has been said, not only in parliament, that the exchange of a portion of the personnel in our posts



abroad (especially of individuals from the so-called nomenklatura) is moving too slowly (we wrote about this—Personnel Section, "At a Post," *POLITYKA* No 47, 1989, reporting then that, of the 66 embassies, only 37 ambassadors were professional diplomats). Minister K. Skubiszewski recently presented his position on this question. "I prefer to look long, but find a good one," he said, emphasizing that at present there are few new individuals genuinely qualified for foreign service and that for this reason it is easier to remove people than to name them. Nevertheless, some changes have been made.

The first sign of the new personnel policy (previous changes affected midlevel diplomatic personnel) is the candidacy of Jan Kulakowski (age 60, who left Poland in 1946 and settled in Belgium where he worked in the trade unions, in the 1970's and 1980's he was a secretary of the World Confederation of Labor, he knows five languages) to be ambassador to the European Community in Brussels. The candidate went through the interview with the Sejm Commission for Foreign Affairs favorably (with one abstention by a PZPR deputy) and certainly will soon receive his nomination from the president. The new ambassador to Belgium is Tadeusz Olechowski (age 64, in 1972-74 minister of foreign trade, then in the Ministry of Foreign Affairs, in 1983-89 minister of foreign affairs, during his diplomatic career, he has served twice as ambassador to France, Egypt and the FRG, recently he has been an adviser to the president of the Council of Ministers). This time the nomination went with nearly lightening speed: on the same day the Sejm commission confirmed him, the president gave him his official nomination. The new ambassador replaces Stanislaw Matoska (age 56, a graduate of the Main School of the Foreign Service, in the Ministry of Foreign Affairs since 1956, in 1968-73 he was posted to Algeria, in 1976-80, he was ambassador to Syria and Jordan, in 1981-84, he was director of the personnel department of the Ministry of Foreign Affairs), since 1984 he has been ambassador to Belgium.

The new ambassador to London is to be Tadeusz de Virion (age 64, a soldier in the Home Army, a participant in the Warsaw Uprising, a lawyer who served as a defense attorney in well-known criminal and political trials, a member of the Order of Malta, since 1980, a member of the Legal Commission of the Episcopate). Although he is not a specialist in diplomacy, the Sejm commission unanimously supported his candidacy. Tadeusz de Virion is to leave for London in three to four months. Until then the function of ambassador to London is to be performed by Zbigniew Giertych (age 68, professor of horticulture and vegetable cultivation, a soldier of the Home Army, 1957-68 a Sejm deputy, 1982 deputy marshal of the eighth Sejm, 1985 deputy president of the Council of Ministers, in London since 1987, a PZPR member).

Minister Skubiszewski has asked for the removal of the individuals in 19 ambassador positions filled from outside of the ministry of foreign affairs (secretaries of the

Central Committee or of PZPR Voivodship Committees, ministers or deputy ministers of other ministries). Among them are Janusz Obodowski, ambassador to the GDR (age 60, doctorate in economics, 1980-81 minister of labor, wages, and social welfare, 1981-85 deputy president of the Council of Ministers, 1982-83 chairman of the Planning Commission at the Council of Ministers, in Berlin since 1986); Włodzimierz Mokrzyszczak (age 52, engineering, 1981 first secretary of the Olsztyn PZPR Voivodship Committee, 1981-86 secretary of the PZPR Central Committee, 1986-88 a member of the Politburo of the Central Committee, deputy chairman of the Internal-Party Commission of the Central Committee, in Prague since 1988); Gen. Władysław Ciałton (age 66, 1958-71 Institute of Mathematical Machines, since 1981 deputy minister of internal affairs, since 1987 head of the post in Tirana, on 19 January 1990 named ambassador, against whom 16 members of the Citizens' Parliamentary Club protested, declaring that an individual whose name was mentioned several times during the trial of the murderers of Father Popieluszko, since he was the direct supervisor to Col. Pietruszko, cannot represent the Republic of Poland in any country).

The personnel in seven cultural centers or institutes in embassies will change. Thus, the following, among others, will be recalled: the director of the Center for Information and Polish Culture in Prague, Mirosław Roguski (age 42, 1970-73 secretary of the Main Council of the Polish University Student Association, 1973-76 an employee at the Main Board of the Socialist Union of University Students, 1981-86 director of the board of fine arts schools in the Ministry of Culture and Fine Arts, in Prague since 1988), the director (adviser-minister) of the Polish Institute in Paris, Tadeusz Wegner (age 62, former youth activist, 1957 ambassador in Bern, 1958-63 consul in Lille, 1963-64, head of the press section in the Press and Information Department of the Ministry of Foreign Affairs, 1966-70 consul general in Lille, in 1972-75 and 1979-86 director of the translation bureau of the Ministry of Foreign Affairs, 1975-79 ambassador in Columbia, in Paris since 1986), and the director of the Polish culture center in Moscow, Stanisław Mikulski (age 61, film and stage actor, Capt Kloss in "Stakes Greater Than Life," a multiple winner of Golden and Silver Masks). A rumor that the current head of television, Andrzej Drawicz, is to take his place (we cited it earlier, following TRYBUNA LUDU, in the section National News) has been denied by the latter in WIADOMOSCI.

The new undersecretary of state in the Ministry of Foreign Affairs is to be Prof. Jerzy Makarczyk (age 52, Dr. Hab. of law, a specialist in the area of international law, since 1962 at the Polish Academy of Sciences Institute of Legal Science, since 1981 deputy director of the Institute for Scientific Affairs, a lecturer at universities in the United States, the FRG, Japan, and Great Britain, among other places, since 1988 president of the Association for International Law). As the representatives of the ministry themselves emphasize, he is the first unaffiliated deputy minister of foreign affairs in memory.

"At present," said Minister Skubiszewski, "we are in the process of naming six new ambassadors. In saying new, I mean individuals not belonging to the authority system prior to the establishment of the government of Premier Mazowiecki. I have eliminated the PZPR positions associated with diplomatic positions at posts." (Practically, that depoliticizes our foreign service: The secretaries of the party organizations will not be able, as had been the practice, to fill leadership positions in embassies—for example, counsellors.—Author's note) "I have prevented certain nominations left over from the previous government that had not yet been completed. The hiring of new individuals to positions below the level of ambassador or consul general is under way, but there are difficulties deriving from the lack of position, and the older employees are protected by the labor code and regulations relating to state officials.... Neither Solidarity nor any one else has an alternative corps of foreign service officials. In this situation, desiring to have new people, it is necessary to bet on youth. We are developing a system for training them for the foreign service. Of necessity, that is a long process."

#### **Government Operations: Ministerial Staffing, New Operating Style**

90EP0351A Warsaw PRZEGLAD TYGODNIOWY  
in Polish No 5, 4 Feb 90 pp 1, 6

[Article by Ewa Kacprzycka: "Lejzorek's Law"]

[Text] New people in the old decor have been ruling since September. The first personnel decisions cleaned out all of the ministerial offices with the exceptions of the MSW [Ministry of Internal Affairs] and the MON [Ministry of National Defense], where General Czeslaw Kiszczak and General Florian Siwicki have remained undisturbed in their old positions.

The next wave of changes removed about 40 deputy ministers from particular departments and central offices. About the same number of new people have taken their places.

During the days of Premier Rakowski, the office of the Council of Ministers had one secretary of state (there was a vacancy following his death), seven undersecretaries of state, and four directors general. There are currently in the office one secretary of state (Jerzy Kolodziejski), seven undersecretaries of state (Alfred Biec, secretary of the KERM [Economic Committee of the Council of Ministers]; Jerzy Ciemniewski, secretary of the RM [Council of Ministers]; Waldemar Kuczynski, chief of the premier's group of advisors; Jerzy Regulski, plenipotentiary on reform issues relating to territorial autonomy; Zbigniew Borawski, who is occupied with issues relating to the administration and infrastructure of the URM [Office of the Council of Ministers]; General Edward Drzazga, the chief supervisory inspector of the URM; and Malgorzata Niezabitowska, the government's press secretary), as well as three directors general (Tomasz Drzewosowski, Henry Wozniakowski, Jerzy Kozminski). Jacek Ambroziak, chief minister of the

Office of the Council of Ministers, was the first of Premier Mazowiecki's people to appear in the URM. Everyone is new, except for Biec, Borawski, Drzazga, and Kozminski, who were already working in the URM.

The most typical resume of the new team members is that of Waldemar Kuczynski, who, having remained in the opposition for years had gone through everything—dismissals from work, expulsion from the PZPR [Polish United Workers Party], arrests, searches, prison, internment during Martial Law—before deciding to emigrate, obtaining asylum in Paris, and working for [Radio] Free Europe and in the Ecole des Hautes Etudes en Sciences Sociales in Paris. He came to Poland for two weeks in connection with his mother's illness. He did not go back to France anymore. He could not refuse Premier Mazowiecki. They had been together in the shipyard during the August strikes. Later, Kuczynski had been Mazowiecki's replacement at TYGODNIK SOLIDARNOSC. Also, they were interned together in Jaworz.

More people will repeat the argument 'I could not refuse the premier.' It is known that Leszek Balcerowicz and Krzysztof Skubiszewski had prepared for trips abroad, but agreed to unpack their suitcases. Skubiszewski saw Tadeusz Mazowiecki for the first time in 1981 at a conference in the Vatican. Later, they spoke a couple times by phone.

The minister recapitulates the beginnings of his own acquaintance with Mazowiecki, "We rarely saw each other, but we each knew well who the other was." It was enough to say yes.

The new ministers, after taking on their positions, began to form their new staffs, each in his own way. The ministries were dominated by ordinary human fears about jobs. It was feared that there would be an earthquake and a revolution that would overturn all the tables and clean out all the offices. So far nothing like that has occurred. The storm only passed through certain undersecretary of state positions, and also stopped here and there at directorships general, and then subsided.

In the Ministry of Domestic Trade, just one new undersecretary of state was appointed. He had previously been a departmental director, and there were rumors as early as the tenure of Minister Nurowski that he would be promoted. The new minister, Aleksander Mackiewicz, brought only his secretary from "Ars Christiana" with him and—a thing practiced sporadically—even retained the office director (Director Baran has been working in this position since 1981; Mackiewicz is his eighth minister).

The most changes have taken place in the Ministry of National Education where Minister Henryk Samsonowicz appointed four completely new undersecretaries of state and one secretary. From the staff that was inherited from Minister Fisiak, there only remained Zbigniew Wesolowski (former secretary of state) in the post of undersecretary and Prof. Czeslaw Krolkowski (former undersecretary) in the post of director general,

which had been vacant until then. In all, the leadership of this department numbers eight persons, that is, twice as many as before.

In the Ministry of Finance, the leadership is made up of nine persons: Minister Balcerowicz; the secretary of state, Marek Dabrowski; six undersecretaries (Krzysztof Lis and Wojciech Misiag are new, but the latter was a director of a unit in the department) as well as the director general (there were none previously). In all, there are two more persons than before.

A number of changes also occurred in the department of environmental protection, where three undersecretaries of state were dismissed and six were appointed, and in the transportation department, where three undersecretaries left, four new ones came, and one kept his position. In the department of culture, where apart from the two undersecretaries and the director general, as many as four new departmental directors came. Those are the departments in which personnel replacements went the furthest. In none of them however, in spite of the initial fears, was the composition of an office changed 100 percent. In the remaining departments, the changes were more moderate.

#### In the New Style

Bigger changes are expected in the Ministry of Foreign Affairs where the nomenklatura has had the most to say. So far, in accordance with the earlier coalition settlements, Minister Skubiszewski has appointed a representative of the PZPR, Boleslaw Kulski (previously, an undersecretary of state) to the position of secretary of state, and he has appointed Jerzy Makarczyk from the Institute of Legal Sciences of the PAN [Polish Academy of Sciences] to undersecretary of state. This is the first time in the history of the MSZ [Ministry of Foreign Affairs] that a nonparty person has occupied such a high position. The controversial changes in ambassadorial positions (among others, Wladyslaw Pozoga was named ambassador to Bulgaria) either had already begun their course before the new minister took over the department, or else they were the result of compromises.

The minister gives the assurance, "There will be changes, but they must take place slowly. After all, I cannot replace nonexperts with nonexperts."

The recall of 19 ambassadors, people from the so-called nomenklatura, has just taken place. Also, six new ambassadors (the first to be named were the diplomat Tadeusz Olechowski, who will go to Belgium, and the lawyer Tadeusz de Virion, who will represent Poland in Great Britain) and seven directors of cultural centers and institutes will shortly be appointed. The biggest surprise for the newly named minister was the discovery that some of the MSW's outposts permanent party posts which the party occupied with its own people at will. They were immediately eliminated and, thus, Albin Siwak among others has returned from Libya.

All the remaining departments give the assurance, "There will be changes." And, somewhat offended by the suspicion of stagnation, they repeat the statement that evolution yields better effects than revolution. Minister Aleksander Bentkowski, who for the time being has only removed Kazimierz Kakol from the directorship of the Main Commission for Research on Nazi War Crimes in Poland and has entrusted a vacant position of secretary of state to Adam Strzembosz, announces there will be a speedy wave of changes in the department as soon as the National Judicial Council begins its work. The department of the food economy, from which forestry separated on 1 January, is preparing deep changes. The same is said in the ministries of culture, health, and labor... The transformation process is continuing, but in the departments, the new style of exercising power has already been noticed.

"The new authorities," I hear in the Ministry of Finance, "do not wait for bows, often they bow first."

Jacek Kuron is probably the first minister who disregarded the suit and tie that goes with a ministerial position. He shocks his own office workers with his direct manner and the ease with which he shifts to an informal manner of address. Kosiniak-Kamysz introduced short daily meetings of his department's leadership. For the first time in the history of her ministry, Cywinska shared communion wafers with everyone before the holidays.

The movement of personnel in the departments is taking place in accordance with the law of Lejzorek Rojtszwaniec: "where they fire, they will hire." To the question of what criteria are guiding the departmental chiefs in these personnel changes, there is always one answer: expertise, which cuts off all guesses and speculation. The common opinion that members of the PZPR are being replaced by members of Solidarity does not entirely reflect the truth.

A journalist from POLITYKA commented that there are rumors circulating that Izabella Cywinska is dismissing only party members. To that, Cywinska replied, "I could not dismiss nonparty people because there were none."

The key to the selection of coworkers by Minister Samsonowicz seems relatively simple: the positions of secretary and undersecretary of state were taken by members of the Solidarity side of the roundtable's educational subgroup: Anna Radziwill, Tadeusz Diem, Janusz Grzelak, Andrzej Janowski (author of the program statement at the roundtable), and Witold Kulerski. In other departments, the picture is more blurry and does not follow the rule of "one undersecretary each for the PZPR, the SD [Democratic Party], the ZSL [United Peasant Party], and Solidarity." Looking at the new staff in the Ministry of Labor and Social Policy, one may come away with the impression that Minister Kuron likes to work with women: he has entrusted two positions of undersecretary of state to women (Halina Goralska and Janina Starega-Piasek), Janina Moldawa has become



the director of the minister's office, and Elzbieta Ficowska (the wife of Jerzy) has recently become the department's press secretary. For the sake of precision, one should remember that he dismissed three women: Stanislaw Borkowska (former undersecretary of state), Janina Krol (plenipotentiary for issues related to the workforces of liquidated places of work), and Anna Kedzierska (plenipotentiary for women's affairs). One thing may be said for sure. Premier Mazowiecki's government has dismantled the merry-go-round of positions, and people who have interesting resumes, rather than widely known names, have come to the ministerial offices.

Ewaryst Waligorski, a Solidarity member who was one of the recently named undersecretaries of state in the Ministry of Transportation and the Sea Economy, came to that position from the Railcar Administration of the DOKP [District Directorate of State Railroads] in Pomorze. He suspected that he owed his nomination directly to Witold Chodakiewicz of the Railroad Construction Works, who, during the September wage negotiations with the railway workers, threw out his name in a completely spontaneous way, saying that just such people should be found among the new authorities of the department. Minister Wieladek evidently remembered that and one day invited the future deputy minister to Warsaw for talks.

#### A Palm in the Office

The new authorities also inherited offices following the fall of their predecessors. In a contest to see who had the most governmental office, Minister Cywinska (in terms of square meters, she probably has the largest, plus a door out to a garden), Minister Bentkowski (he has a beautiful set of furniture that was extracted in the sixties by the then minister Walczak from the basement of a court in Gdansk), or Minister Syryjczyk (discrete elegance) would have good chances for victory. The most modest would be Minister Kuron (he has a common set of glossy, dark furniture, but, as the press secretary said, "it is not known whether Jacek notices his office at all") and secretary of state of the URM, Jerzy Kolodziejski, who, sitting at his desk, discreetly positions his feet to cover the patch sewn onto the carpet.

Desks, closets, tables, chairs, and even carpets in the offices of the premier and deputy premier come from the Cyrankiewicz epoch, and some even from the Bierut epoch. In its decor, socialist realism's spirit of simplicity mixes with palatial pretentiousness. Furniture of different styles is chosen more for its color than its style, and the carpet does not always match the wallpaper and curtains, and they do not match the fabric-covered walls. Armchairs are usually well worn, the seats sunken, and on the whole they are not particularly clean.

The Administrative-Economic Office of the URM suffers from a lack of money, and the director, Aleksander Krysztaszek, could only helplessly stretch out his hands when Malgorzata Niezabitowska asked whether it would

not be possible to do something with her gloomy, green-brown office, lighted by the livid glow of lamps. Premier Mazowiecki did not feel completely at home either, so he ordered a "radioaesthetician" to examine his own accommodations. She localized the harmful radiation of an underground watercourse, and as a result, special screens were installed on the premises to neutralize its effects. The premier did not submit further reservations, but in order to feel more at home, he hung a sketch of Don Quixote on the wall and put a color plate with the lettering TYGODNIK SOLIDARNOSC on the closet.

The ministers moving into offices did not have much choice either and had to accept material reality. So much so that Minister Cywinska ordered that everything be washed, the walls touched up, and paintings borrowed from a museum. Kuron got rid of the computer that he inherited from Sekula. And Minister Skubiszewski ordered a move and, for the sake of better lighting, moved his office to the reception area and vice versa. He also ordered that a table and typewriter be put in the office.

"I am perhaps the only minister of foreign affairs in the world who edits his own letters and writings," he says. "I do not have a stenographer, and the old style of the outgoing correspondence, which was bureaucratic and at times ungrammatical, does not suit me."

Thus, the ministers' offices are outfitted in the standard way: a bulky desk, a large table with chairs set around, a closet or bookcase, a television, and a VCR. Ministers Mackiewicz, Balcerowicz, and Syryjczyk have palms; in the offices of others stand green flower arrangements in large flower pots. Usually, there is a smaller room in the back of the office in which to rest, receive guests, or freshen up. Minister Kuron again comes out as the most modest; where others have tasteful reception rooms, he has a tiny room on the other side of the corridor in which there is only a desk and a foldout couch. On the couch, lie a blanket and pillow, so that the minister, when he finds a half hour, has a place to lay his shattered head.

Minister Samsonowicz has an office in the prewar style. He works in a building that was built with exactly that ministry in mind, and at one stroke the minister was allotted a secretariat, a workroom, a library, a meeting room, and a reception chamber for chatting with guests. There was a hallway from the parlor to the prewar minister's private apartment. Today, the quarters are occupied by the National Action to Aid Schools. On the wainscoting remain the discretely nailed nameplates of the company that took care of the place's fitting decor: "Tow. Akc. Warsz. Fabr. Mebli Stylowych Z. Szczerbinski i Ska w Warszawie [Joint-Stock Co. Warsaw Stylish Furniture Factory, Mr. and Mrs. Z. Szczerbinski, Warsaw]."

"How can I not be pleased with my office when before this I worked in a five-person room?" one of the new deputy ministers will say. Apartments are a much greater problem. For a long time now, the URM's investment



has not kept pace with the cadre changes in the government. We even have homeless ministers. Minister Skubiszewski lives in a small palace of the MSZ on Foksal [Street], where a bed was put into one of the places and morning tea is prepared on a hot plate. Izabella Cywinska lives in a service room at the ministry. Minister of Industry Syryjczyk and his undersecretary of state, Marian Kania, live in the Instructional Center in Konstancin. A deputy minister of the health department, Krystyna Sienkiewicz from Torun, lives in Dom Lekarza [a hotel for doctors]. Her colleague Piotr Mierzewski from Sopot was staying with friends. An undersecretary of state in the transportation department, Jan Kuligowski from Gdansk, is fortunately a deputy, so he lives in the deputies' hotel.

"When it comes to satisfying the living needs of high state officials, then our possibilities are tragically small," says Halina Dutkowska, the director of the URM's Office of Housing Affairs. "This year we will get 16 apartments in the Bernardynskie development. That's it."

Ministers Skubiszewski, Syryjczyk, and Bentkowski have already gotten their housing allotments. They are patiently waiting for the remodeling to be finished. Others still remain homeless, for which (at least so far) they hold no grudges toward anyone. The new team has not yet managed to take on the manners of power. That is why Deputy Minister Mierzewski decided to come to Warsaw, even though he knew that would mean separation from his family and his newly born son. And that is why Deputy Minister Waligorski, who left his family in Szczecin, when asked how he was solving his own living affairs, tossed his head and said: "And who would be concerned about such trifles!"

Most are competing for official apartments just for the period it takes to fulfill their function and admit that they are not thinking at all of moving permanently to Warsaw. The conviction that fulfilling their function will not be a permanent state is dominant, but perhaps one to which farewell should be said.

#### A Lancia for the Minister

The new crew in power demonstrably pays homage to the virtue of modesty. In order to cut short all the gossip, according to which the authorities treated themselves to exquisite automobiles right after taking power, one of the first press conferences was dedicated to the matter of new Lancias that had shown up in front of the URM building. It was explained that last year the former government decided to purchase 100 Lancias in Italy. Fiat offered prices that were about 40 percent lower than the market prices, but on one condition: the Lancias would be used exclusively for governmental purposes and members of the highest levels of government would ride in them. Consequently, the premier rides in a Lancia (though also in a Peugeot 604) as do the deputy premiers and ministers (with the exception of Kiszczak

and Skubiszewski). The reserve car is a Polonez 2000 with a Fiat engine. Up till now, 49 Lancias have been sent to Poland.

Former deputy premier Sekula managed to crash one of the first. The new authorities have not been able to protect themselves from road accidents either: Minister Balazs, Kosiniak-Kamysz, and recently Kwasniewski, who met with misfortune while returning with Adam Michnik from a meeting with students in Poznan, were without their Lancias temporarily. (Except for the Lancia, everyone emerged from the accident whole.) Director Janusz Lubowicz from the Technical Base of the URM does not see any licentiousness in the Lancias. "Our authorities have travelled rather modestly for a long time," he says. "So far, the best cars were driven by Premier Cyrankiewicz. At that time, there were Jaguars, Mercedeses, and toward the end Peugeots." After Jaroszewicz, two old Mercedeses remained. After that, Fiat 132's, Mirafioris, Super Mirafioris, and only recently Lancias were bought. Undersecretaries of state and directors general of departments travel in Polonezes. Deputy Minister Waligorski, accustomed to his own Trabant, still considers an official Polonez an entirely luxurious car and maintains that a little Fiat would satisfy him completely.

Minister Samsonowicz, who consistently comes to work in his own Toyota, is also distinguished by the virtue of modesty and uses his official automobile exclusively for official purposes. Minister Syryjczyk makes use of a Polonez, leaving his Lancia for special occasions. When Minister Skubiszewski finally found a little free time to travel to Poznan to get some warm things for winter, he took a train. However, Marek Dabrowski, secretary of state of the finance department and a passionate cyclist, pedalled with friends to Lithuania during last year's vacation and as recently as a month and a half ago was still coming to work on his bicycle.

One of the privileges that the new authorities have maintained is coffee and tea, which the premier and all the ministers may drink in unlimited amounts at the office's expense. If, however, they want to eat, they must pay. The premier pays 5,000 zlotys for a meal ordered in the government lunchroom and 300 zlotys for a sandwich. Each department has its own cafeteria, but the previous staffs, to their credit, used to go for lunch to the URM or to the KC PZPR [Central Committee of the Polish United Workers Party]. The new leadership, particularly the homeless, prefers its own cafeterias, undoubtedly of necessity. Ministers Skubiszewski, Bentkowski, Syryjczyk, and Cywinska make use of the departmental cafeterias. Minister Kuron eats sandwiches brought from home, perhaps because the cafeteria smells that spread through the ministry corridors during the lunch hour are not too encouraging. In the cafeteria of the Ministry of Finance one can meet Balcerowicz, Dabrowski, and Lis. As a result, the carts that were formerly used for transporting food to the ministerial offices by means of the deputies' elevator have become

unnecessary. However, palms have appeared in the cafeteria, so that soup from a common pot would taste better. Minister Syryczyk pays the least for lunch (1080 zlotys) and Minister Cywinska (1300 zlotys). Deputy Premier Balcerowicz eats the most expensively (3000 zlotys). However, the biggest event is the cost of a large coffee in the lunchroom of the Ministry of Domestic Trade: 564 zlotys in the second half of January of this year!

The new authorities have also preserved the old style of work: into the late hours of the night, till one drops with exhaustion, without a moment of rest, without free Saturdays, and sometimes even without free Sundays. Minister Cywinska's secretary could not endure such a work tempo and asked to be dismissed. The premier, deputy premier, and the ministers have two or even three secretaries each, who work in shifts from morning till the late evening hours. Rarely does a minister leave his office before seven o'clock in the evening, and it also often occurs, as it did recently, that the discussions of the Council of Ministers end at three in the morning, and, in this case, Minister Syryczyk had to be in Gdansk in the morning.

It was not possible to establish whether the new authorities are already availing themselves of the governmental resorts in Lansk, Arlamow, Jadwisin, Miedzyzdroje, Kolobrzeg, Sopot, and Zakopane.

"Do you know any self-respecting hotel manager who will give the names of vacationing clients to the press?" asks director Halina Obrebska, who is in charge of social affairs at the URM. The prices, however, are not a secret: the premier pays 30,000 zlotys for a one-day rest in Arlamow, if he wanted to go there with his son, he would have to pay 50,000 zlotys. The same rate applies to ministers, undersecretaries of state, and directors general, in other words, the people who used to be on expense accounts. Below this rung, no one will get sent to Lansk or Arlamow. Before 1980, these two resorts were closed resorts. Now they are on their own account and gladly accept guests from outside and participants in congresses and conferences. However, in order not to put anyone in an awkward situation during his stay, the accepted principle is that both resorts are exclusively at the disposal of the currently ruling authorities. This has to do with Malgorzata Niezabitowska not spending her vacation with Jerzy Urban and former Minister Jastrzebski not meeting daily on his walk with the current Minister Swiecicki.

Moreover, the fate of those who not long ago exercised power does not interest any ministry more closely. "No harm is being done to them. They take six-month severance pay of an amount identical to the salaries of their successors." All the departments have that information at their disposal. However, no one knows what exactly the former ministers are doing.

The high state offices are not sentimental. They were here, they left, their successors have come. Perhaps they are different, but after all they will leave someday as well.

### **Coalitions: History Main Barrier to Political Understanding**

90EP0354A Warsaw LAD in Polish  
No 47, 19 Nov 89 pp 6, 11

[Article by Kazimierz Polarczyk: "Fusion of the Labor Party and the Democratic Party?"]

[Text] Issue No. 39 of LAD contained an interesting comment by Jack Mikula who proposed forming a strong party based on the fusion of the Labor Party, the Christian-Democratic Clubs of Democratic Thought, the Catholic Academic Associations, and the Democratic Party. He offered his proposal for consideration by persons with influence on the shape of Polish Christian democracy.

I do not know whether this concept will be accepted by its addressees, nor what the position of the leadership of the Democratic Party on this question would be. But I believe that the editors and readers of LAD would be interested in the opinion of a Democratic Party member—a personal opinion but one based on familiarity with the views of the broad circles of members of the Democratic Party.

I was somewhat surprised by the very fact that LAD, which is regarded as a publication of the Labor Party, has published an article advocating a merger between the Labor and Democratic parties, not just because this is such a radical concept. To be sure, LAD publishes objective reports on major events within the Democratic Party, but certain Labor Party activists have been commenting negatively, and not only in LAD, about the Labor Party, not counting minor caustic comments. Even the same issue of LAD which published the comment by J. Mikula also contained a commentary about the new government which regretfully and sarcastically observed, "Two small parties, which only now are suddenly exploring a facelift for their prestige, continue to have a disproportionately large share in this government."

Such comments, not too pleasing to the Democratic Party, are not being reciprocated. Half in earnest and half in jest, it could be said that the members and press of the Democratic Party respond with Christian humility to the acerbic jabs by the Labor Party. For they bear in mind both the obvious frustrations of a political party with an ideology close to ours, which is being laboriously reborn after many years, and the historical past which prompts may Labor Party activists to be prejudiced against the Democratic Party.

Democratic Party members enjoy telling jokes about their own party, stressing its weaknesses, and I do not believe that they should have a monopoly on this. Hence also we do not get offended by critical remarks or by presenting the Democratic Party jestingly in a crooked mirror, as LAD has already done earlier. It is time to put an end to the years of phony political parties and their

treatment as sacred cows exempt from any criticism. The point, however, is who, how, and why is making these criticisms.

I firmly believe that the attitude of the present Labor Party toward the Democratic Party is not based on some strategy of confrontation. I think that we are rather dealing with suspicion of a party which had in its time been entangled in the dramatic fate [suppression] of the Labor Party, and which itself had avoided that fate. But it was not entangled of its own volition. And that seems to be not perceived by the authors of the jabs against the Democratic Party.

J. Mikula claims that old offenses should be no barrier to taking steps to merge the Labor and Democratic parties; after 40 years both sides should consign these irritations to oblivion. I consider this comment to be warranted, though not completely.

Fostering illwill between the leaderships of the Labor and Democratic parties in the present completely different conditions, just because they are the political inheritors of the leaderships of 40 years ago, when these parties had belonged to different political camps, would indeed be absurd. But this does not mean that the events of 40 years ago should be forgotten. On the contrary, they should be mutually appraised. And then it will turn out that the sources of the irritations lay outside the Labor and Democratic parties.

Before the last parliamentary elections it was said within the Democratic Party that its belonging to a camp competing with Solidarity was a paradox in view of the similarity of its electoral program to that of Solidarity. This paradox was probably the last manifestation of the more than 40 years of dependence of the Democratic Party on the Communists. Just as one of the first such manifestations was the fact that in the immediate postwar years the Democratic Party was on another side of the barricades compared with the Labor Party. But this should be no reason for condemning the Democratic Party as corponsible for the disappearance of the Labor Party.

In the present article I prefer to write about the future rather than the past. But I cannot completely gloss over principal accusations against the Democratic Party, namely, that it had contributed to destroying the Labor Party and that it absorbed it and regarded itself as its continuator. These three accusations represent a three-fold misunderstanding.

First, if the present-day Labor Party is recognized as the inheritor of solely the Labor Party that had existed under the leadership of Karol Popiel and suspended its activities in 1946, then all these three accusations either are pointless or undermine the credibility of the declarations about the lack of authenticity of the post-Popiel Labor Party which still continued to exist until 1950 under the leadership of Feliks Wida-Wirski.

Second, the Democratic Party has neither strived to destroy the Labor Party, both the one in 1946 and the one in 1950, nor absorbed the 1950 one. For, like the 1946 and 1950 Labor parties, the Democratic Party itself in those times had also been an object of Stalinist liquidation practices pursued by the the PPR [Polish Workers' Party], subsequently the PZPR. The consequences of these practices varied, but it is not certain whether history will judge more highly the ideologically uncompromising attitude of the Labor Party, evidenced at the price of losing any organized influence on public life for 40 years, than the attempt at an organized transfer until better times of the idea of democratic rule and market economy, undertaken by the Democratic Party at the price of opportunism and subservience to the Communists as a condition for survival. Nowadays the Labor Party must establish itself anew. In contrast, the Democratic Party could regain its independence and ideological identity gradually, in favorable circumstances, during 1956, 1980-81, and 1988-89.

Third, the Democratic Party had admitted to its membership the members of the disbanded Labor Party who had applied, but it has not regarded itself as a continuator of the Labor party; at most, it regarded itself as an inheritor "to some extent." Can the leadership of the Democratic Party in 1950 be begrudged its decision to enable former members of the Labor Party to continue their political activities? Did not later on the Democratic Party have the right to try and translate into reality the will of that part of its Catholic members (and not just the former Labor Party members) which demanded that ideological and program documents make references to the political thought of the Labor Party?

The issue of references to the "heritage" of the Labor Party has been, besides, now and then a subject of dispute within the Democratic Party. It seems that the last time that dispute took place was in 1988, even before the Labor Party was reactivated, in connection with a broad discussion of the fundamental ideological and program planks and nature of the Democratic Party.

At that time, two conflicting concepts of the Democratic Party had arisen. The first was aimed at consolidating the general-democratic nature of that party, but one open to the values characterizing various doctrines that accent democracy. The second was aimed at "shifting" the nature of the Democratic Party in the direction of the democratic orientations which at the time had not been represented in Poland by any major political party. There were supporters of shifts in four directions: liberal, Christian, socialist, and nationalist. Those supporting the Christian orientation pointed to, among other things, the right and duty of the Democratic Party to continue the social thought of the Labor Party and even to refer to the Labor traditions.

The first concept won and, in accordance with it, the supporters of each of the four "shifts," especially of the liberal one, left traces of their beliefs in the documents of



the 16th Plenum of the Democratic Party Central Committee, dealing with general ideological and program issues (September 1988) and the 14th Congress of the Democratic Party (April 1989).

Here it is worthwhile to quote passages from the report presented at the 16th Plenum, which referred directly to disputes about the relationship between the Democratic Party and Christian democracy:

"We believe that decisions on worldviews and philosophies are not within the purview of a political party or the government. As a non-Marxist democratic party, we are open to a diversity of worldviews and respect all humanistically oriented beliefs and feelings.... We are opposed to the underestimation by certain political forces of the creative role of the Roman Catholic Church in the life of our nation. Not just because we are to some extent inheritors of the Christian-based Labor Party disbanded in 1950, and not just because Catholics predominate among our members, but chiefly in view of the Church's contribution to the moral and political upbringing and integration of the Polish society. The convergence of Catholic social doctrine with our democratic ideology is the basis for the good feeling of Catholics in our party and the soil in which institutional cooperation can grow."

Substantially the same language is present in the Declaration of the 14th Congress of the Democratic Party, but now without referring to the former Labor Party—simply because in the meantime it had been reactivated, which the Democratic Party immediately welcomed publicly. The Democratic Party was the first and for a long time sole political grouping to officially recognize the legality of the Labor Party.

Claiming that a fusion of the Labor Party with the Democratic Party is in the interest of both parties, J. Mikula noted, "The alternative to this fusion is intense rivalry between both parties, because the base of their support comes from the same social groups." I have two reservations about this comment.

First, the class- and milieu-oriented basis for the activities of political parties, so strongly emphasized in Marxism, is nowadays losing importance in favor of ideological and program planks. We are observing this throughout the world and in Poland, too, even within the PZPR. In 1981 the Democratic Party rejected the attempts to nudge it to become a kind of super-trade union of craftsmen and the intelligentsia and returned to its original nature as a party resolutely placing national interests above the interests of any social group. Hence also, the competition between the Labor Party and the Democratic Party for membership and electorate, as well as their cooperation, will be based not so much on the interests of social groups as on political views.

Second, perceiving the relationship between the Democratic and Labor parties solely in either-or terms as either a fusion or a rivalry, is an oversimplification. This

relationship may exist in as many as five different planes of strategy: confrontation, rivalry, neutrality, coalition, and fusion.

A confrontational relationship between parties representing similar ideologies and the same social groups is nothing new, as exemplified by a relationship of many years between communist and socialist parties. In our case, I consider confrontation as a strategy that is possible in theory but hardly likely in practice, for both parties are far from promoting mutual hostility and are aware that a confrontation between them would conflict with their own interests and be advantageous only to their common political adversaries.

The present-day Labor Party is quite explicitly following a strategy of rivalry with the Democratic Party. This ensues not only from the comments of the leading activists of both parties but also from declarations identifying the Labor Party with the extraparlimentary opposition as opposed to the Solidarity-ZSL-SD coalition [coalition among Solidarity, the United Peasant Party, and the Democratic Party]. By contrast I would say that the present-day strategy of the Democratic Party toward the Labor Party is amiably neutral.

I consider most likely the evolution of the relationship between these two parties in the direction of a coalition strategy. This forecast is supported by the similarity of ideological and program planks, and above all by the fact that this would be the most rational solution from the standpoint of national interests and the interests of both parties. Of course, a coalition would not preclude competition for votes, but it chiefly presupposes cooperation.

The Labor Party and the Democratic Party differ in their system-of-society concepts, particularly as regards the system of governance and the system of property ownership. At the same time, joint action would make much more effective translating these concepts into reality.

Therefore, I see no obstacles to the initiation of talks aimed at establishing a political coalition of the Labor and Democratic parties, whether bilateral or as part of a broader alignment of political forces. I emphasize, the initiation of talks rather than the establishment of such a coalition at present. I think that the problem of an eventual coalition of the groupings viewing democracy as their fundamental idea will be among the issues considered at the National Forum of Democrats initiated by the Democratic Party, a forum which will be, I believe, attended by the Labor Party.

An obstacle to forming even now a coalition between the Democratic Party and other democratic groupings, including the Labor Party, is the obligations ensuing from the current Solidarity-ZSL-SD [parliamentary] coalition and the desire of the Democratic Party and the United Peasant Party to turn it into a fullfledged political coalition, i.e., to extend cooperation outside the parliament to, among other things, all levels of regional structure. In the event that a declaration favoring such a coalition is signed, it would be merely possible to add the

Labor Party to the tripartite political coalition, which, for various reasons, is complicated although, I believe, feasible.

However, in view of the resistance of some Solidarity activists to issuing a common declaration on a political coalition with the ZSL and the Democratic Party, no tripartite coalition of this nature is may be achieved. Then the question of a political coalition between the Democratic Party and other groupings would remain open, on condition that this should not conflict with the Solidarity-ZSL-SD parliamentary coalition and with a government coalition that includes the PZPR.

In each of these cases discussion of a future Labor Party-Democratic Party coalition is warranted, because the current tripartite coalition is of an interim nature. The point here is not the by now certain replacement of the ZSL by one or several PSL's [the reborn Polish Peasant Party]. The point is that Solidarity as a trade union exercising the functions of a political party (and precisely as such acting as the principal member of the current coalition) will forfeit these functions sooner or later to the existing and newly forming political parties.

J. Mikula suggests that the fusion of the Labor and Democratic parties is urgent because time is short and a strong grouping has to be formed to replace the existing political dualism. It is a kind of paradox that, in view of the present coalition obligations of the Democratic Party, such a fusion at present would be simpler to accomplish than a coalition between the Democratic and Labor parties. But it can take place on one condition, which in my opinion has not been met. Namely, the members and leaderships of both parties must (psychologically) mature for that fusion, even on assuming that no difficulties would be encountered in agreeing upon a uniform combined ideological and programmatic platform. Such a process of maturation is fairly long and probably has not commenced yet, although J. Mikula's proposal may be a beginning.

Hence, in the short run, I view as more realistic the concept of a coalition which may also be a stage in an eventual subsequent fusion, once the attendant advantages are perceived by the members of both parties, and once the present obstacles, mentioned along with arguments in favor of such a solution by J. Mikula, have disappeared. But my view of the principal obstacle to the fusion of the Labor and Democratic parties is different from that of J. Mikula.

I agree with him that "this solution harbors the danger of the loss of the Christian nature of the new political grouping and the absorption, by the organized structures of the Democratic Party, of the nascent and therefore organizationally weak structures of the Labor Party." The danger associated with the present-day weakness of Labor Party structures may disappear once they get strengthened. But the danger (to the Labor Party) of the loss of the Christian-democratic nature of the merged party would be rather permanent. Permanent, because

the elimination of that danger by the Labor Party would in practice require the consent of the Democratic Party membership to switching to a Christian-democratic type of party, which is rather impossible so far as an overwhelming majority of that membership is concerned.

J. Mikula mistakenly claims that "the Democratic Party is intensively searching for an identity of its own," and that its fusion with the Labor Party would be a way of acquiring that identity, presumably a Christian one. But the ideological identity of the Democratic Party had been established more than 50 years ago. Following its deformation during the Stalinist period, it is nowadays again explicit. This also applies to worldview issues.

The Democratic Party separates the question of its opening to Christian motivations and Catholic social doctrine from the question of its Christian-democratic nature, which would require the commitment of all of its members to a single worldview and would conflict with the party's tradition of tolerance of different worldviews, and with its belief that the attitude of its members toward religion is a totally personal matter. A majority of the Catholics belonging to the Democratic Party also supports this tradition.

Thus a fusion of the Democratic and Labor parties into a Christian party would be rather unrealistic. But I would view as realistic a fusion into a Democratic Party that would acknowledge openness toward various democratic orientations with special consideration of the Christian one.

Could such a compromise solution be acceptable to the Labor Party? Probably yes, if we consider the fact that the Roman Catholic Church increasingly doubts the need to politicize Catholicism in the form of parties and to link religious commitment to a political one. And the Christian-democratic parties are a form of such linkage.

In conclusion, it is worth noting that everything points to a definite political rapprochement between the Labor and Democratic parties in the future, but commencing this process requires of both parties taking a common position on those facts of the past which prompt the Labor Party to feel injured by and suspicious of the Democratic Party.

#### **Young Christian Democrats Organize, Call for Supporters**

*90EP0353A Warsaw LAD in Polish  
No 46, 12 Nov 89 p 15*

[Appeal issued by the Young Christian Democrats, dated 30 September 1989: "An Appeal to Polish Youth"]

[Text] Today we have called into being an organization known as the Young Christian Democrats. We are treating the name of our organization as a dual obligation to Christianity and to democracy.

—We declare ourselves in favor of the Christian vision of man and society, the primacy of spirit over matter

and the binding nature of moral principles in all fields of human life, including politics and economics.

- We declare ourselves in favor of the human person, who is the highest value of social life and the beginning and end of all social arrangements.
- We declare ourselves in favor of the rights of man, indissolubly linked with duties, his freedom indissolubly linked with responsibility and the right to a life of dignity, sufficiency and independence.
- We declare ourselves in favor of solidarity and social love, the brotherhood of all people, organized into various communities that make their development possible, from the family, through the nation and the entire network of indirect communities, to human society as a whole.
- We declare ourselves in favor of parliamentary democracy, a system which allows for the fullest political sovereignty of every human being.
- We declare ourselves in favor of independence, of the right of self-determination for every nation, including the Polish nation, of the right to decide independently the directions of its foreign policy and alliances and the paths of its own internal development.
- We declare ourselves in favor of local rule, of a society that is so organized that, in accordance with the principle of offering assistance, decisions are as decentralized as possible in order to enable every community, beginning with the smallest community, and every individual to have maximum autonomy and power.
- We declare ourselves in favor of a social market economy, of private property and a free market in the sphere of production, together ensuring the freeing up of a maximum of creative initiative on the part of individuals and groups, and of a just distribution in the sphere of income, rewarding the most creative and defending the weakest.

Such are our ideals. We appeal to all young people in Poland who aspire to these ideals to join us, to those who are of the same mind as we, so that they may work together with us, to all, to become involved, to organize, educate and take their matters into their own hands, our matters into our own hands.

At the present time, Poland is faced with great responsibilities. The invented system, which was to render humanity happy and which was imposed upon the Poles by force, against their will and against their sense of sound reasoning, has fallen into ruin. The country is ruined. It is ruined not only materially, but its social, political and economic culture are ruined above all. We must learn all of these things anew. We must answer the most basic and the most minute questions for ourselves. We must call into question basic principles and values, we must understand the foundations of the operation of a modern, normal state, we must familiarize ourselves with the principles of

parliamentary democracy, we must learn the laws of operation of a free economy, we must become acquainted with normal social institutions which people create for themselves and which help them to implement the goals and needs they alone set and define for themselves. For only in this way can the human being realize himself and perfect himself as a person.

Let us be prepared, organized and competent to build such a Poland, a Poland in which every person shall be able to find his own place, amid the wealth of diversity of human needs, aspirations and choices. A Poland, from which young people will not emigrate en masse to a "better world," a Poland which itself will draw foreigners, as it did in former years. Although the goal is an ambitious one, we believe that it is possible. We firmly believe that the Polish Nation, free from coercion and allowed to determine its fate on its own, will turn out no worse than other free European nations, that it will manage to build its community life in such a way that it will be able to realize the needs of the inhabitants of its country on a par with the rest of the world.

The kind of foundation upon which we build our common life now will perhaps determine the life of future generations. Institutions, principles and standards become fixed and grow into traditions, into a culture, and later it is difficult to change them.

We appeal to Polish youth, both in Poland and abroad! Let us once again take up the difficult mission that the Fatherland places before us. Let us once again believe in Poland—and in ourselves.

The Young Christian Democrats  
Warsaw, 30 September 1989

#### **PPS-RD Leader on Party's Political, Economic Program**

90EP0356A Warsaw LAD in Polish No 4, 28 Jan 90 p 7

[Interview with Piotr Ikonowicz, member, Supreme Council, Polish Socialist Party-Democratic Revolution (PPS-RD), by Jerzy Wysocki; place and date not given]

[Text] [LAD] In my opinion, history shows that certain economic models look attractive only on paper and do not prove themselves in reality. Only the free-market economy based on private ownership of means of production has proved itself. But you generally reject that model. Why?

[Ikonowicz] For several reasons. First, we reject models which proved themselves in other countries because we believe that by now the list of highly developed capitalist countries is closed. As a consequence, the already rich countries are growing richer and the poor poorer. To Poland as an indubitably poor country the road of capitalist development is thus closed.

[LAD] This means, as I understand it, that you are not questioning the Western economic model but merely believing that it would prove pernicious for Poland.



[Ikonowicz] No. In general we point to the limitations of the free-market economic models. At present many individuals and groups view capitalism uncritically and focus their attention solely on the 15 or so highly developed countries. But they fail to perceive the fact that a majority of the capitalist world is sunk in destitution which is growing even more exacerbated owing to the unequal accumulation of capital. The Third World countries which accepted the logic of the capitalist market are evidently the losers thereby.

Another barrier to that system is of an ecological nature. A market-based economy can be unusually effective in the short run, but in the long run it is hideously wasteful. Consider for example the question of environmental pollution, the clearing of the Amazon jungle or the breaching of the ozone layer around Earth. On the macroscale the rationality of this system is thus highly doubtful. Then also there is the problem of that entire technological revolution, the successive improvements which are depriving people of their jobs.

To sum up, the nature of the capitalist system consists in the maximization of narrowly—financially, monetarily—conceived profits. Such a system results in that the economy becomes an end in itself, to which the society is merely an appendage. I believe that not only Poland but also the entire mankind is condemned to exploring another road of development.

[LAD] You are proposing a self-government economy, public ownership of means of production. Such a system displays evident shortcomings. And besides should the Polish economy be subjected to yet another experiment?

[Ikonowicz] The option imposed on the government by the International Monetary Fund does not even afford us an opportunity. Such is its logic: being poor, we will have to grow poorer. In contrast, the self-government option affords an opportunity. I believe that this will be a very great opportunity. I base my belief on the following reasoning:

The civilizational trend we encounter in both the East and the West is such that economic progress is increasingly decided by human thought rather than by narrowly, mechanically construed technology. And precisely the only asset available to Poland is its educated people, who are educated much better than might ensue from the low level of our economic growth. But this richness of human thought requires highly specific conditions for its utilization. Namely, human thought needs freedom. It is precisely freedom that is the most important premise for economic growth.

This was clearly demonstrated by August 1980 [the rise of Solidarity] when the masses articulated their desire for primacy rather than subservience in not only the political process but also and above all economic life. There exist highly spectacular examples of how the nascent self-government movement eliminated seemingly insuperable barriers to management. After all, workers are close to the production process, and thus they are most

competent to direct it. As a result, in the self-government model the workforce ceases to be an object and work ceases to be a curse and becomes a way of personal self-fulfillment.

[LAD] This sounds so lofty, but in practice it makes me think of Yugoslavia.

[Ikonowicz] That is a completely inappropriate example, for several reasons. Above all, if an enterprise is to be properly administered by [worker] self-government, the workforce must will it to be so. Where there is a will there is a way. But in Yugoslavia worker self-governments were decreed from the top, and hence they cannot operate properly. Moreover, self-government enterprises in that country operate in the presence of intense ethnic and regional divisions and collide with the powers of the nomenklatura. Self-government in the absence of freedom and democracy is a contradiction in terms.

[LAD] I cited the example of Yugoslavia, because there are no other examples. It is thus difficult to speak of the effectiveness of this model.

[Ikonowicz] This is a model which may not provide guarantees but which assures sovereignty of the society and affords it an opportunity to actively influence the reality. This is not roulette, a game of chance, as in the free-market model, but a conscious alteration of the surrounding world by the society itself.

[LAD] In proclaiming your program you are in explicit opposition to the government which is an emanation of the social movement termed Solidarity. Do you think that this government is betraying the interests of the society?

[Ikonowicz] It seems to me that the politicians who refer to the Solidarity tradition and who are leading Poland toward a civilizational disaster have decided that the only ally of the Polish world of work is Western employers. It is difficult for me to guess by what convoluted reasoning they have reached this conclusion. The motives for this uncritically pro-Western option may be highly complex.

[LAD] Perhaps they are fortuitous. After all, at the round table the Solidarity side had advocated precisely the self-government model.

[Ikonowicz] But as can be seen, subsequently the typically Thatcherite faction had won. Besides it is no accident that the leader of Polish trade unionists has been meeting in a highly amicable atmosphere that resolute enemy of trade unions, Mrs. Thatcher. This is extremely shocking.

At any rate, we are one of the few forces that are resolutely in opposition to this government. As such, we are saving, as it were, the honor of the nascent Polish democracy. To us, the leftist option is a democratic option, and our self-government alternative is a consistent elaboration of the concept of democracy.

[LAD] What groupings do you view as your potential allies?

[Ikonowicz] Of course, our option brings us close to the self-government movement, which has already often articulated the need for the existence of a political force linked to it. Undoubtedly, we also are linked to the authentically trade-unionist orientation of Solidarity, since after all most of us derive precisely from that orientation.

But as far as political groupings are concerned, we are close to the leftist and extremely noble movement "Freedom and Peace." In certain ways we would also be in agreement with the dynamically growing, especially among youth, anarchist movement. We also have some hopes for a rapprochement with other orientations of the socialist movement, although the PPS itself seems to us at the moment to be rather to the right of social democrats and close to Christian democrats.

However, it may be that we shall reach electoral agreements with some local groupings which may play a decisive role in local self-government elections.

[LAD] What about the OPZZ [the formerly regime-sponsored National Alliance of Trade Unions, opposed to Solidarity]? They are beginning to say the same things as you.

[Ikonowicz] Which of course is a great misfortune. After all, the differences between us are enormous. Of the slogans we advocate—freedom, equality, independence—they mention only one: equality. Essentially, after all, the OPZZ is a structure of the Stalinist type and I do not think that it will ever get rid of this burden. However, in a situation in which Solidarity as a trade union is involved in the government, the OPZZ may gain mass influence. This is likely and highly dangerous. That is why we are endeavoring to make Solidarity a genuinely independent and self-governing trade union rather than a government trade union.

[LAD] Thank you for the interview.

[Box, p 7]

The PPS-RD was formed in February 1988 as a result of the programmatic schism that arose within the PPS as soon as three months after it had been founded.

By contrast with the PPS activists supporting Jan Jozef Lipski and opting in favor of an evolutionary road of changes, the faction of the "young," headed by Piotr Ikonowicz and Jozef Pinior, declared itself in favor of radical methods of struggle for democracy and independence of the trade union movement.

The PPS-RD opposed the insufficiently democratic political order created at the roundtable. Questioning the political apportionment of the parliamentary seats, the PPS-RD called for a boycott of the June [1989] elections.

The principal publication of the party is *ROBOTNIK*, with a circulation of 20,000 to 30,000, and its centers of activity are in Warsaw, Wroclaw, Krakow, Katowice, and Bialystok.

On 9-10 December 1989, the First PPS-RD Congress took place in Wroclaw. A 10-member Supreme Council, which exercises its functions in a collegial manner, was elected. In addition, a number of documents, including an extensive program titled "The Self-Government Alternative," was adopted.

The program's preamble states, "The PPS-RD desires to be the inheritor of the best traditions of the revolutionary international worker movement, from the Paris Commune to the Budapest worker councils of 1956 and the mass struggles of the workers and students the world over in the years 1968-69." The PPS-RD also refers to the Polish independence tradition, the struggles of Polish workers for a life of dignity and for political freedoms, and the traditions of Solidarity, and particularly the program for the "Self-Government Republic" adopted at the Congress in 1981.

The program also clarifies the meaning of the term Democratic Revolution: "This concerns not some mythic single revolutionary act but a process of self-organization of the society at the grassroots level, and the turnabout in the reigning system of law and state will be merely a reflection of that process.... As part of the process of the democratic revolution, the PPS-RD acts without resorting to force."

Further, the program states, the PPS-RD "is opposed to the Mazowiecki-Jaruzelski government." In the party's opinion, "The process of the privatization and sale of national property and the logic of economic opening and joining the international capitalist market assigns to Poland a place among Third World countries.... This process will result in destitution, unemployment, and the desperation of millions of hired workers."

To counteract this, the PPS-RD proposes "self-organization of social groups at the grassroots level, a strong and aggressive trade union movement, building the self-government alternative to the system of society (in the local communities, at workplaces, and in trade unions), and lastly a mass strike movement combined with the activation of production under the administration of worker representations."

#### **New Polish Economic Party Formed**

26000014 Warsaw *TRYBUNA KONGRESOWA*  
in Polish 10-11 Feb 90 p 4

[Text] Poznan—A congress of founding members of the Polish Economic Party was held in Poznan on 9 February. The initiators, representing managerial groups throughout the country, emphasized at the congress that one of the things leading to the formation of this party was the decision to hasten elections for regional self-government. The discussion defined the directions of the



new party's activities, and its goals were embraced in the statutes adopted at the congress. The new party will operate throughout Poland. The Supreme Council and the President of the Polish Economic Party were elected at the congress. The president is engineer Wojciech Kornowski of Poznan. The seat of the new party's executive body is Poznan.

### **Catholic-Social Union Resolution on Past Mistakes, Future Plans**

90EP0355A Warsaw LAD in Polish No 4, 28 Jan 90 p 2

[Resolution issued by the National Administration, Polish Catholic Social Union, dated January 1990, Warsaw]

[Text] At a request from the PZKS [Polish Catholic Social Union] National Administration, we are publishing its resolution, which constitutes an indirect reply to Jan Krol's article appearing in LAD No. 47. We reserve the right to make a separate statement on some of the issues discussed herein.

The year 1989 went down in history as the time of the greatest changes in the entire period of postwar Poland. In the course of that year, there was an enormous acceleration in that process of democratization of our collective life that began with the decided movement toward freedom of the memorable 1980 labor protests. This difficult process was made possible through the efforts of many people who transformed the Polish reality of the 1980's both collectively and individually, both openly and underground. The PZKS likewise has a share in this process. As it stands today upon the threshold of the final decade of the millennium, looking back upon struggles that have been won, it shares the desire of the entire nation to bring reform tasks to their completion and to make the state completely democratic, to serve its citizens well and to use wisely the great wealth of our land, which occupies a worthy place in the family of the countries of Europe.

The PZKS is one of the groups which have fought for many years for a democratic and Christian shape for our Fatherland. It arose in January 1981, amid the current of change in the civic consciousness, as an organization which set for itself the goal of popularizing and incorporating into life the principles of Catholic social teaching. In the situation which existed at that time, given the lack of potential for Catholics to create formal political parties, the PZKS assumed the task of performing political functions only by means of its representation in the Sejm and in people's councils. However, it did not specify its own political program, nor did it aim to participate in the ruling power. It believed that by its presence within representative organs it could contribute to the renewal of Polish life. It attempted to reconcile the duties of a social-educative organization with political tasks. Founded upon the social teachings of the Church, it declared its readiness to cooperate with all forces,

including those which differed ideologically, to realize the common good while preserving the position of the political center.

In the growing conflict between the governing and the governed, it came out supporting society as a sovereign entity in relation to which all authority should perform a service function. The PZKS deputies expressed that view of the relationship between society and authority first, by opposing the delegatization of Solidarity and then, in later years, by demanding relegalization of Solidarity under Lech Walesa, and by demanding a change in the single-party system of exercising authority and calling for the introduction of political pluralism and a reform of the economic system. This stance of PZKS deputies is documented in the Sejm proceedings of the eighth and ninth terms.

After the hard times of martial law, which had impeded the process of freeing the nation from the constraints of the post-Stalinist system, the PZKS, its period of suspension ended, initiated efforts to help create terms for national understanding. It recognized dialog as the only path leading to such understanding, in accordance with the words of the Polish primate spoken in a 22 January 1982 homily: "We ourselves must pick ourselves up after the fall, but in unity. Unity can be attained only in dialog, and only in truth can there be dialog." It was in this spirit that the PZKS leadership made the decision in July of that year to sign the controversial PRON declaration. In the years that followed the union tried in good faith to fulfill the obligations it had assumed, ushering into the movement the ideas of social Catholicism in the conviction that it would be able to play a role in reaching understanding and unity through dialog.

This stance, however, demanded special fidelity to its own ideological assumptions. Unfortunately, the fidelity of some PZKS members was shaken as a result of the internal crisis that shook the organization and reached its peak in mid-1984. At that time, the union came to be run by a group which used unethical methods to gain control and which did not have broader support within the membership base. However, this group was quite influential in forcing a significant part of the union's founders to leave. The error most often committed by this group was to ignore the Church's attempts at mediating the quarrel which arose, a quarrel whose foundations lay both in the differing political options of member groups at odds with each other and in the manipulations of external elements which served state interventionism.

The events of that time seriously hampered the preservation of ties to the Church prescribed in the basic ideological-program formula of the PZKS. These events also impacted to reduce the credibility of the Church in many Catholic milieus and deprived it of the ranks of experienced, valuable activists. Although it constituted a short-lived incident in the initial period of the union's existence, it engendered losses which, despite later positive changes, have not yet been recouped today. The

present national authorities of the PZKS—already the fourth group since the recounted events—regret the mistakes of the past but divorce themselves from them, not taking the blame for them.

At the present time, the controversy surrounding the PZKS which continues in some communities emanates not so much from former events as from opinions regarding its recent membership in the "government coalition" and in the body of "discretionary Catholics" who endorse the former order of authority. This is an invalid opinion. The PZKS never availed itself of the attributes available to the real partners of this coalition, i.e., parties which were provided for at that time by the constitution. No PZKS member ever got any position in the apparatus of political or administrative authority through nomenklatura. The PZKS was never subsidized out of state funds; on the contrary, its independent position was sometimes the cause of painful complications for its financial activity from enterprise earnings, primarily the Libela company, of which the PZKS is co-owner together with the Catholic Intelligentsia Club in Warsaw, Poznan and Lublin, as well as the ODiSS [Center for Documentation and Social Studies] and Wiesz publications.

Opinions regarding the PZKS's "progovernment" stance were founded upon a faulty information policy which failed to present sufficiently clearly and unequivocally its intentions and the real nature of its participation in the coalition, a presence which was primarily symbolic and of a protocol nature. Nonetheless, this arrangement and the dialog stance of the PZKS allowed it to gain a certain influence over the development of reformist tendencies in the ruling camp, although it never participated in it in a decisionmaking sense. It was also able to play the role of mediator at moments of social tension, as more than one internee or prisoner could attest. Thousands of children and young people for whom the PZKS paved the way to visiting Europe exemplify its usefulness and many elderly and handicapped can verify its integrational skills.

In reality, the face of the PZKS, faithful to the Church and the Fatherland in spite of past mistakes, is shaped not by the opinions that circulate but by the many sacrifices of members, good Catholics and patriots, who implement in everyday practice the teachings of Catholic social science and the Ideological Assumptions of the union, which have been handed down to them by the founders and which guarantee its Christian and democratic dimension.

In the new situation which has arisen as a result of the roundtable talks followed by the appointment of Premier Tadeusz Mazowiecki's government, the PZKS sees an opportunity to realize long-standing aspirations for the democratization of our country and for the building of a citizen's society. The second part of the PZKS General Assembly of Delegates, called for the end of January 1990, will define more precisely the formula of its participation in this great national effort.

Given the approaching enormous difficulties of the transitional period and the painfully worsening living conditions of society, the PZKS will continue in its former position of dialog and cooperation with all forces, without prejudice. Meanwhile, it wishes to seek allies above all among reliable Catholic organizations which are also true ideological allies.

The PZKS believes that with mutual understanding and cooperation, the movements which adhere to the Christian values system can become a fundamental social and political force in Poland, capable of working out economic-systemic proposals which are socially just and are accepted by the broadest circles of society.

The Polish Catholic-Social Union, in its present form or in some altered form, wishes to exert its entire potential in working to build such a common force to serve the good of the nation and its state, and to use all of the ideological, human and material resources it has available, resources acquired in the labor of its 10-year history, stormy and not free from error, but not devoid of achievements as well.

National Administration  
Polish Catholic-Social Union  
Warsaw, January 1990

### Union of City Presidents Formed

90EP0403B Warsaw RZECZPOSPOLITA in Polish  
26 Jan 90 pp 1-2

[Article by Andrzej Zielinski: "Union of City Presidents Comes Into Being"]

[Text] We will shortly be inviting a representative of the RZECZPOSPOLITA editors to Szczecin. We are giving serious thought to the Union of Polish Cities. Our version of it will be called the Union of City Presidents, beginning with member cities whose administration is headed by a president.

Bogdan Jankowski, press spokesman for the president of Slupsk, gave us the information, because the secretariat of the union's original organizing group is located in Slupsk.

The group is planning to present the union's statute and charter or regulations, which will then go to the national councils for discussion and ratification. According to recent information from the secretariat, Bydgoszcz, Gorzow Wielkopolski, Grudziadz, Inowroclaw, Olsztyn, Pila, Poznan, Plock, Starogard Gdanski, Torun, and Wloclawek have already applied. The presidents of Elblag, Gdansk, Gdynia, Koszalin, Slupsk, and Szczecin are the founders of the union, as everyone knows.

It should be remembered that during the Second Republic, the Union of Polish Cities was a self-governing organization. It included both large cities and small towns. It was a forum for exchanging experience and information about ways to resolve basic economic and social problems. It represented the cities' interests before

the government and other state institutions. It initiated joint communal undertakings, intervened in obtaining credit, and provided guarantees for it. The Union of City Presidents intends to write similar goals into its statute.

### **Provisional President of Warsaw on Projects; Biographic Information**

90EP0403A Warsaw ZYCIE WARSZAWY in Polish  
29 Jan 90 pp 1-2

[Report of interview with Stanislaw Wyganowski, provisional city president of Warsaw, by Jadwiga Osiecka; place and date not given: "After the Change at City Hall: 'I'll Rely on the Self-Government,' New Warsaw President Stanislaw Wyganowski Tells ZYCIE"]

[Text] The Polish Press Agency tells us that the chairman of the Council of Ministers decided to remove Jerzy Boleslawski from the post of president of the capital city of Warsaw and asked the people's council presidium to take a stand on the matter.

The premier appointed Dr. Stanislaw Wyganowski to serve as temporary president of the city of Warsaw. So much for the official communique.

Saturday evening we telephoned Dr. Wyganowski to learn what the most important issue for him will be at the outset. It turned out to be an attempt to put Warsaw in order.

"The all-encompassing mess all around us is so sad," he told us. "At home it is clean, even elegant, but outside, it's land that belongs to nobody. It reminds me a little of Africa, where I worked in Algeria for 7 years. It was similar."

Dr. Wyganowski told us that in serving as president he would be counting on the self-government, on stirring the consciousness of residents. He does not think that spectacular drives are enough. What is needed is consistent action, convincing people to handle the upkeep around their own buildings and in their own yards. But mere convincing and persuading will not suffice either. The stick and carrot theory seems essential. That means applying penalties, where necessary. That is the way it works all over the world.

[ZYCIE WARSZAWY] By profession you are an urban economist. Will this mean that priority will go to matters which are presently such sensitive ones for Warsaw, such as assigning locations and designating where new construction will take place?

[Wyganowski] There are many of these initial plans, and I surely won't be able to given them the attention they deserve. Even work at a snail's pace. I live on Iwicka Street, and I have been watching for a year how the thermal pipes are being laid down Gagarin Street. It should've been finished long ago, but first of all I have to familiarize myself with the work of the capital's administration.

Dr. Wyganowski will assume his duties on Thursday, 1 February, but tomorrow the presidium of the capital people's council will devote their session to this matter.

When we asked about the metro, there was a decisive answer: "Since so much has been done, the construction should continue, because the city cannot remain as it is." When we asked about Stara Milosna, Dr. Wyganowski said that the NIK and prosecutor would take up the matter.

We also asked the capital's new acting president to tell us a bit about himself. It turns out that he comes from the Kalisz area. During the occupation he fought in the Home Army and took part in the "Burza" campaign. After the war he graduated from the Main School of Planning and Statistics, worked for many years at the Institute of Urban Planning and Architecture, and under the auspices of Polservice went at the beginning of the 1970's to Algeria, where he spent 7 years. He returned in 1980, when Solidarity came into being. After martial law he took retirement, which has now been unexpectedly interrupted, at age 71. He has two sons. One runs a company that makes roofing tile and lives in Warsaw. The other is a ceramic artist. He has moved to a place near Klarysew, not too far from the capital. His wife runs the household. The Wyganowskis have three grandchildren, two little girls and a boy. Dr. Wyganowski played tennis at one time and was even on the national team. He no longer has the time today, and the coming months do not promise to provide him with more free time either.

## **YUGOSLAVIA**

### **Treatment of Political Prisoners in Croatia**

90EB0197B Zagreb DANAS in Serbo-Croatian  
2 Jan 90 pp 28-29

[Article by Jasna Babic: "Special Treatment: How Much Truth There Is in the Stories of Political Prisoners About Prisons in Croatia"]

[Text] The third and fourth inmate sections at Stara Gradiska still look today the way they did about 50 years ago, when Andrija Hebrang was imprisoned in that place. Neglected, cold, overcrowded dormitories with connected beds that the inmates themselves wall off at night with cardboard, out of fear of their homosexual neighbors, as explained by Drazen Budisa, a former Stara Gradiska "boarder." When all 600 beds are filled in that penal and correctional institution, then about 30 people use the same room bucket. Admittedly, for day-time needs there is a separate latrine, but one resembling an enormous stinking cesspool with collapsing walls, from which water constantly leaks. In Seks's prison journal, it is a place for gambling for money, coupons, food, clothing, and even bedding.

Until last year, that is what the entire Stara Gradiska prison looked like—all four closed sections in which those with the longest and hardest prison sentences,



recidivist criminals and political prisoners, served time. That is why time is surprisingly long in Stara Gradiska, more than in other correctional institutions. The guards say that a man who has spent five years in their prison has been there for "quite a short time..."

In addition to the surroundings of a fairly authentic camp, however, a significant characteristic should be associated with political prisoners: how one can protect oneself, as a political "verbalist" [reference to verbal crimes], a "hostile ideologue," an intellectual unused to fistfighting and armed conflicts, from the multitude of violent criminals. Even the guards know—and do not conceal that they know—that stilettos are secretly made in the locksmith shops, and that many people use those handy weapons to wipe out gambling and borrowing debts, or even to avenge real or imagined insults. Thus, for example, Drazen Budisa, a "political" since 1971, is barely getting out alive. After staying awake for several nights—the murders usually happen while people are asleep—he will only be saved by a transfer to another prison, to Lepoglava, because the existing laws require full equality among the prisoners, and the unwritten prison code insists that mutual disagreements and sometimes far from harmless conflicts be settled without the involvement of the prison administration.

It is therefore probably worth while to peep into the spectral Austro-Hungarian building that has survived the Hapsburgs, the Military District, and Pavelic's fascist state, in order to understand fully the atmosphere of a pathetic meeting: the meeting of the steering committee of the future organization of former political prisoners in Croatia, held on 24 December at Zagreb's KAPTOLSKA KLETA. "I want to spend this Christmas with you, because you are my real family," someone would shout with excitement. Along with the "fast day" fish, white wine, and collective recitation of the Our Father, this was, however, a public remembrance of Lepoglava and Stara Gradiska, and to a much lesser extent, serious work on a joint "party" program. There were about 30 of them, out of the 100,000 political prisoners in postwar Croatia, as estimated by the organizers of this truly unique organization in the flourishing Croatian pluralism.

But while the former convicts at KAPTOLSKA KLETA were absorbed in feeling a sort of triumph and publicly "forgiving" their own "persecutors," a great deal of their biographies and experiences already belongs to the real past. For example, in order for a journalist to enter even the most ill-famed prison enclosure today it is sufficient to make a short telephone call to the republic minister of justice and administration, who will explain that for the last few months Stara Gradiska has not been any news attraction. Of the seven penal institutions in the entire republic, Lepoglava and only two of the four Stara Gradiska sections still correspond to the picture created by the testimony of former political prisoners in Split's OMLADINSKA ISKRA. During the next five years, however, the Lepoglava prison will be torn down and relocated to another site, and Stara Gradiska will be

completely renovated in accordance with all the standards prescribed not only by domestic laws, but also the numerous international conventions that Yugoslavia magnanimously adopted and ratified many years ago, with one exception: a ban on torture. Specifically, Yugoslav prisoners, in contrast to all other signatory countries, can be subjected to force-feeding by means of a probe. Admittedly, such methods are contrary to medical ethics, but prison medical officials constitute a separate professional category. Since they are not members of the "civilian" medical associations, no one but the prison authorities can hold them accountable, and so it is truly possible that the prison doctor in Vranje cold-bloodedly observed the beatings of Albanian "isolated prisoners." Consequently, however, half of the Stara Gradiska prison already offers a different appearance today. With separated beds in the dormitories, new central heating, clean and white latrines, hot water, and redecorated lounges, it is reminiscent of a freshly built military barracks. The prisoners are distinguished from real recruits mostly by their uniforms. Instead of dirty gray cloth, the trademark of all convicts in old and new Yugoslavia, the state authorities decided that starting a short while ago, prison clothing would be sewn from jeans material.

That is why in a few days the notorious prison itself will open up all the locked doors without any shame, like the finished past, revealing the rest of the secrets of 40 years of prison sentences there even in socialist Yugoslavia. There really is the "dark room" in which Djuro Perica, convicted of "terrorist intent," did penance for some verbal infraction of prison regulations in August 1976. There are also the solitary confinement cells vividly sketched by Petar Sale (also convicted of terrorist intentions): some of them were cast within concrete walls, on which icy frost gleams in the winter. The guards and "counselors" will acknowledge that that system of internal prison sanctions was unchanged and inherited in full from previous regimes. If the republic's plans for the thorough renovation of Stara Gradiska and the relocation of Lepoglava are carried out, however, at least as far as housing is concerned, Croatia could become a less notorious republic, worthy of that penological "vanguard status" which it demonstrated by founding the Valtura KPD [penal and correctional institution], the first open-type penal institution in southeastern Europe. That means: without high walls, without electrified wire, without uniformed and armed guards, without strictly limited visits, and without daily walks exclusively within the prison yard. Also, according to reports from the Service for Carrying Out Criminal and Misdemeanor Sanctions, the intention of its ministry is that only a third of the convicts in the entire republic will be isolated in the other, closed penal institutions.

#### **Dangerous Politicals**

That intention does not go much further, however. If one can judge from talks with the head of the Service for Carrying Out Criminal and Misdemeanor Sanctions within the Ministry of Administration and Justice, the

status of those who are political criminals even "by intention" remains unchanged. Although they are a separate category of prisoners, which penological experts will describe as individuals from an urban environment, with a high educational, cultural, and intellectual level, without any sociopathological behavioral traits, in the name of the equality of convicts before the law, guards, counselors, and pedagogical principles, those who are only criminals under Article 15 of the Yugoslav Criminal Code are mixed with killers, bullies, and thieves. "We have to mix them in with all the rest, so that they will not organize in groups within the prison," explained some state officials, who have adopted only one idea from modern penology: political prisoners are more "hardened" than other prison "boarders," since it is a question of political theories, ideology, and a system of "higher" and more complex values. And they can be reformed, according to the "Penological Theses" of Vladimir Zakman, a professor at the Special Education School in Zagreb, not by any physical means of coercion, but rather by counterarguments, conversation, polemics, and individual resocialization measures. Whether because this conclusion came too late, or because prison is not even necessary for counterarguments, 40 years of socialist prison practice really have not shown many good results in the area of ideological reeducation. Marko Veselica entered Stara Gradiska as a confirmed Croatian communist, and left as a confirmed religious Croatian Catholic; and the flourishing political pluralism and the multitude of newly created alternative and opposition parties clearly show that the work has been in vain. "Immediately after the war, the prison administration really took its role as a pedagogue seriously, recently, it seems to have given up such ambitions, and so prison has become somewhat more tolerable for us political prisoners," stated Alija Izetbegovic, a "Moslem nationalist" in 1947 and an "Islamic fundamentalist" in 1983.

That is why the last penological ideal, incorporated in the Law on Carrying Out Criminal and Misdemeanor Sanctions that is passed by each republic individually, namely, "socially useful labor," will remain in the country of the "working class."

For Stara Gradiska, for example, the state allocates only four million a day per prisoner, and everything else is covered by the export income of the camp's wood and metal production shops. That is why its renovation began with the introduction of the most modern industrial equipment, even a computer lathe for machining wood armrests for chairs. Since the convicts, however, are only trained and coerced carpenters and metalworkers, paid a fifth or a third of the wages actually earned, the modern facilities that many Yugoslav factories do not even have are only realizing a small part of their technological capacity.

From all indications, that was too expensive an investment for producing the desired goal. The convicts are still "goofing off," developing so many dubious work habits that they usually return to prison for repeated

crimes. As far as the political prisoners are concerned, however, they really do learn some useful trade during their many years in prison, but not at the expense of their own profession. Intellectual improvement is left to the afternoon free activities and strictly selected literature whose theoretical value is assessed by the counselors themselves, who only recently have been experts graduated from special education or similar schools. Thus, one Stara Gradiska official became seriously angry at his Slovene colleagues for sending one of his wards, an Albanian sentenced for counterrevolution, the anthology "Kosovo, Serbia, Yugoslavia," written, as he stated, on the basis of "irredentist positions." The anthology, in any case, is not banned, and if its latest edition has not been sold out, it can be freely purchased at any Yugoslav bookstore, and not just in Slovenia. Political and ideological pluralism apparently has a harder time penetrating the average prison than operational computer commands, and the human and civil rights of prisoners, which go beyond warm dormitories and four different meals a day, are mostly reduced to their right to petitions and appeals. And actually, an authorized chief from the ministry and a group of his advisers, pedagogues, and psychologists, visited the Stara Gradiska prison on 25 December, carefully listening to and taking into account all the comments by Stara Gradiska's boarders. Former prisoners say that this is a completely new practice, since a new person was appointed as the under secretary responsible for penal and correctional institutions. Along with the abolition of Goli Otok, the renovation of two sections of Stara Gradiska, and the plans to tear down Lepoglava, the new deputy minister has also brought in a group of experts with modern penological concepts. The extent to which the "jailers" are sometimes more important than the environment itself is also shown by the fact that former political prisoners at Stara Gradiska cite 1984 as a turning point. At that time, the old postwar group of prison guards was replaced by a new generation: the "special treatment" of state and ideological enemies, mostly "proven Ustase," ceased. Admittedly, in recent years political prisoners have become a less numerous class of convict, and especially in recent months, since Croatian prosecutors and courts have been rejecting criminal complaints about "verbal crimes," so that at this time there are 54 political criminals imprisoned in the republic's penal and correctional institutes. Of those, 19 were convicted in Croatia, one in Bjelovar under Article 133, serving four months, and all the rest are Albanians convicted in Kosovo, in Macedonia, or before military courts.... The new generation of ruling prison officials is apparently doing what it can and what it is allowed to do by the Law on Carrying Out Criminal and Misdemeanor Sanctions, from long ago 1974. It has also become a subject of discussion in the great renovation of Croatian law, however, but only so that, like many other allegedly fundamentally changed institutions, it would only experience minor alterations. The basic principles derived from the old Criminal Code and one-party rule will still remain the same, unless the Assembly reads it more carefully before February 1990.

and thinks about its consequences. It will not be surprising if the Assembly delegates do not do so. Even the steering committee of the organization of former political prisoners in Croatia, at its meeting at KAPTOLSKA KLETA, discussed abstract human rights and freedoms, without even mentioning the other prisoners, their comrades until recently, who are languishing today in Yugoslav prisons—in Kosovo and in some other federal units, even under much worse conditions than at the Stara

Gradiska camp, that great metaphor of "Croatian political martyrdom." When dissident rhetoric, like this prevalent one, is based on the bare facts, then socialist penology is only a choice between two versions of world legislation: in the 20th century a political prisoner has a privileged status, and in the 19th century he was considered more dangerous than any criminal. As we know, our homeland is at least 100 years behind in many respects, and so prisons and their political prisoners are simply part of the general Yugoslav milieu.

## POLAND

### Partial Dismantling of MiG-21 Force in Lask Noted

90EP0372A Warsaw ZYCIE WARSZAWY in Polish  
16 Jan 90 pp 1-2

[Article by Andrzej Murat: "A MiG Scrapped"]

[Text] Some of the silver MiG-21's with stylized mermaids on the bodies which are parked in front of the hangar at the airfield of the 10th Regiment of Fighter Aviation of the Air Defense of the Country in Lask were flying very recently. At present, the forces of the Warsaw Treaty and NATO are being brought to equal levels as a result of disarmament agreements in the field of aviation. Some of the training, training-combat, and combat materiel is simply to be scrapped.

At the first stage, the air force of the Polish Armed Forces is to be reduced by more than 100 aircraft, and, prior to 1995, at the second stage, they will be reduced by a similar amount. The oldest model, worn-out aircraft are and will continue to be scrapped including the training Iskras, the MiG-21's, the MiG-21b's, and the SU-7's.

The first aircraft was scrapped in Lask two months ago. On 15 January, the dismantling of further aircraft began. Seven MiG-21's were lined up in two rows. To begin with, fuel and oil were drained, and air installations were emptied. Later, the ejection seat was removed from the

pilot cockpit, and the elements of wings were taken apart. At the third station, the radar was taken out of the plane. One of the soldier-mechanics said that upon removal the radar will be checked out and certainly some of its subassemblies will yet be used.

Various assemblies and fuel tanks were removed from the body; elements of the wings were removed, and finally, the heart of the aircraft, the engine, was taken out.

Major Andrzej Filipek explained: "As with other machines, this engine has been repaired at least 4 times, but it could work another 100 hours."

Time flew, and with every passing hour more parts and subassemblies piled up on the concrete tarmac. Those which are definitely good and can be used as spare parts, if not in this regiment then in another, were packed in wooden crates.

The aircraft lost more and more weight at every station. At the last station, the body was cut by torches, and wing planes were cut by electric saws. A truck was parked nearby into which the parts which are to be junked were loaded.

One of the officers justified himself: "What you can see amounts to dismantling by quite simple methods. Shortly, specialized groups will begin to handle this."

Meanwhile, further MiG's parked at the edge of the forest nearby awaited dismantling. The rest of the aircraft were still in service....

## CZECHOSLOVAKIA

### Equal Opportunity for Private Enterprise Needed

90EC0337B Duesseldorf *HANDELSBLATT* in German  
3 Feb 90 p 8

[Article by Klaus C. Engelen on a conversation with Planning Minister and Deputy Premier Vladimir Dlouhy on the new economic program: "Prague Wants To Dismantle the Discrimination of Private Entrepreneurs on a Broad Front"—first paragraph is *HANDELSBLATT* introduction]

[Text] Bratislava, 1 Feb—"For private ownership in the enterprise area as well, we must establish the same conditions as for state and cooperative ownership," declared Dr. Vladimir Dlouhy, deputy premier of the new CSSR Government and the minister with responsibility for economic planning and CEMA relations, in a conversation with *HANDELSBLATT*.

"It is important to reduce the discrimination of private enterprise on a broad front. The economic criteria of the market must apply to all forms of ownership," said Dlouhy. In a soon to occur visit with responsible offices in Bonn, just as this week in Vienna, he will explain to representatives of the German economy the fundamentals of the new economic reform program of his government.

### The Changeover of CEMA Trade Requires a Certain Amount of Time

"It is a conceptual program for the transition to the market and the establishment of economic structures that make it possible for Czechoslovakia to return to the economically developed Europe," says Dlouhy. Even though the necessary laws are being passed in the first half of this year, this transition to the open market economy "will extend over several years, although the foundation will have to be laid without delay."

Especially the changeover of the extensive trade with the Soviet Union and other CEMA states but also the development of a functional capital market will take time. Dlouhy: "Czechoslovakia expects support from the countries of the West in its striving to be integrated into the common European market and as soon as possible. It would help us if the Western countries would do more to open their markets to imports from the CSSR after the abolition of our trade restrictions and after the desired convertibility of the korona."

By the same token, the new government in Prague is in the process of establishing favorable basic conditions for foreign investors as well with the improvement of the Law for Joint Ventures (securing of a regulation of the transfer of profits that is "fair" for all sides) and new laws for privatization. Because it is urgently necessary to strengthen the export capability of the Czech enterprises

through restructuring, decentralization, and more competition, the liberalization of imports must also be forced.

To provide the necessary foreign exchange, according to Dlouhy, the Prague government is also considering the use of Western credits to finance imports of capital goods in a substantial volume. With an indebtedness of about \$7 billion in hard currency, the necessary external latitude exists for financing, because new acceptance of credit abroad through imports of capital goods in more productive enterprises leads to greater exports in the West. With higher foreign indebtedness, however, the CSSR, in contrast to other East European countries, will carry out the process of the conversion of the economy through a restrictive monetary and fiscal policy with the objective of avoiding the "reform trap" of inflation as it has so far.

The "Economic Council" (the ministries in Prague responsible for the economy) will soon formulate the basic principles of Czechoslovak economic policy with respect to the IMF, the World Bank, and GATT. They are considering the acceptance of loans from the IMF, primarily to establish additional currency reserves and to stabilize the exchange rate of the korona. "The objective of our government is the liberalization of foreign trade. We say quite frankly that the state of our national economy, the heritage of the past, makes necessary a provisional minimum customs protection for domestic producers for one to two years."

Cooperation with the CSSR, according to the planning minister in Prague, who "as soon as possible would like to turn his planning agency into an economic ministry with the functions usual in the West," offers "new and unexpected opportunities" for Western countries, especially the FRG, the largest Western trading partner. Sales of Western capital goods can be greatly expanded in the course of the modernization of the economy of the CSSR. "Our people are diligent, well educated and eager to learn. In comparison with the incomes in the Western countries, wages in the CSSR are at a modest level. But there is no social tension in our country. Czechoslovakia is in the heart of Europe and wants to serve as an important communications, production, transportation, and tourist center in Europe."

At the same time, however, the CSSR wants to continue to develop its present cooperation with the countries of Eastern Europe, especially the Soviet Union. "The enterprises of the CSSR know the markets of Eastern Europe. They helped to build up the economy of Eastern Europe. Today it is important to put the relations with Eastern Europe, especially our trade relations, on a qualitatively higher level of market, monetary, and capital interlocking. It is important to open the markets in the East as well. Besides the market and the agreed convertibility, trade also requires the elimination of the obstacles hindering the access of our enterprises and trade through state monopolies. Imports and exports must take place in a decentralized manner through the enterprises. We in



the CSSR can offer our knowledge and experience from the trade exchanges among the Eastern states."

The core of Prague's new economic program is "the equal legal position of all forms of ownership in entrepreneurial activities, liberalization, and competition but also, where necessary, reasonable regulation." How the new basic conditions and the individual forms of ownership are utilized depends upon the spirit of initiative. "On the part of the government, we must make sure that fair possibilities for competition among the individual forms of ownership can be established in the course of the reorganization. Privatization and interlocking of the individual forms of ownership—in the form of shares, participation, and joint proprietorship, for example—must be understood in an economic sense and not as the selling off of the installations of our national economy to the highest bidder."

#### Place Sought for Foreign Participation

The central points of the economic reform program developed by the new government in Prague are:

- Establishment of the equality of private, mixed, cooperative, and state enterprises before the law and establishment of the same conditions of access to production factors, proceeds, and capital.
- Ensuring of the rights of enterprise incorporation for the largest possible number of subjects in the conversion of the Czechoslovak economy and society (Dlouhy: "The free entry of the midgets must be possible.")
- Creation of room for foreign participation in the Czechoslovak enterprises and for international entrepreneurship of Czechoslovak economic subjects.
- Reform of the existing state enterprise sector through the establishment of the legal prerequisites for full autonomy in decisions and responsibility, for economic independence in relation to the state, for the gradual liquidation of state assistance and subsidies and for the securing of sources of supply.
- Limitation and gradual exclusion of state intervention in the actions of the enterprises.
- Establishment of new latitude for opportunities in the privatization of state and cooperative enterprises.
- Introduction of state regulation and the office for antimonopolistic legislation and commercial activities.

"Because of the lack of time, it is necessary," says Dlouhy, "for the new legal norms to be further specified and perfected on the basis of the new experiences, not least with the help of foreign specialists from the developed market economies and international organizations."

## GERMAN DEMOCRATIC REPUBLIC

### Schwerin Bezirk 1989 Economic Performance Reported

90EG0185A Schwerin SCHWERINER  
VOLKSZEITUNG in German 24 Jan 90 p 4

[Report from the Schwerin Bezirk Office of the State Central Administration for Statistics]

[Text]

#### Industry

In 1989, the Schwerin Bezirk production of industrial goods has been increased by 1.8 percent (per workday: 2.2 percent) as compared to the previous year. The annual plan, reduced by M 111.4 million since the beginning of the year, has been met with 100.9 percent (+ M 111.7 million).

In the enterprises of the industrial ministries including the economic council, the production increase of 2.1 percent represented only half of what had been planned at the start of 1989. The annual plan fell short by M 82.5 million, and the sales contract backlogs occurring in every other enterprise corresponded to 3.8 daily productions at year's end.

The labor productivity, with 2.2 percent (per workday), increased at a slower rate in 1989 in the industrial ministries enterprises including the economic council than the average in the years 1986 through 1988 (3.8 percent). The cost level was higher overall than in the prior year.

There was a shortfall of M 70 million, i.e., of 10 percent, in the planned net profit. Every third operation with a profit plan did not meet its net profit plan. Some 12 industrial operations registered a loss.

#### Construction Industry

In the state enterprises of the building authorities' locally managed construction industry, labor productivity rose by 2.8 percent (per workday), with the number of workers being reduced by 2.4 percent on an annual average. Building production in this sector decreased slightly; this includes a 1.1 percent decrease in the Kreis building enterprises.

The new housing plan was met by 86.2 percent. A total of 2,632 new apartments were built, 140 were reconstructed and 72 were remodeled and expanded. Some 456 planned apartments were not delivered, among these 325 in the Bezirk capital alone.

The modernization of 3,074 apartments represented the highest annual result to date.

There was a further downturn in the growth of building repairs on residential buildings in the Kreis-managed construction industry, which produces over 90 percent of this work in the Bezirk.

#### **Agriculture, Forestry, and Food Industry**

In 1989, the planned total yield in crop production was not realized because of the extreme drought during the main growing season. With 43.1 decitons of grain units per hectare of arable area the total yield was lower by 0.7 decitons than the previous five-year average.

Where grains (41.5 decitons per hectare) and oleaginous fruits are concerned the second best harvest to date was achieved. Yield reductions occurred primarily for potatoes and feed crops.

In 1989, animal production operations again produced—primarily as a result of increased animal productivity—more meat (+ 2.8 percent as compared to the prior year) and milk (+ 4.4 percent); poultry egg production (+ 7.0 percent) was substantially increased.

#### **Transportation, Postal, and Telecommunication Systems**

In 1989, railroad and motor vehicle traffic transported 29.2 million metric tons of goods, almost 1 million tons less than the previous year. In the public motor vehicle transport sector the transported volume of goods was higher by 3.4 percent than in the previous year. This was mainly caused by a shift, higher by 42 percent, of transportation from rail to road, since the railroad was not able to handle the full scope of demands of the shipping industry because of increased travel activity in the fourth quarter.

The performance of the postal and telecommunications system increased by 2.8 percent overall. Some 2,866 new main telephone connections were installed; 2,467 of these in apartments.

#### **Export**

Export (at operating cost) decreased from the socialist economic sector by 12.6 percent (planned 6.1 percent) and increased in the nonsocialist sector by 5.6 percent (planned 6.1 percent). The currency earnings planned per M 1,000 export at operating cost were exceeded in both economic sectors.

#### **Capital Spending/Science and Technology**

Capital investments in the amount of M 2.1 billion were realized in the Bezirk in 1989, approximately corresponding to the volume of the prior year. The four capacities planned within the scope of the national plan Capital Investments started operation on schedule; these included the production lines for universal and wall tile, respectively, in the operations Karstaedt and Boizenburg of VEB [State enterprise] Fliesenwerke.

#### **Standard of Living Development**

The population's net income rose by 4.3 percent (plan 4.1 percent) in 1989 as compared to the previous year, for the first time in years not at a faster rate than expenses for goods and services (4.3 percent as well).

Retail sales at effective prices increased by 4.2 percent or M 181.2 million. In 1989, 1.9 percent more foods and semiluxury goods were sold than in the prior year.

Sales of industrial goods increased by 6.5 percent, meaning that their share in overall sales rose to more than half for the first time in 1989. The high sales increase for industrial goods in 1989 was primarily influenced by the high sales level in VEB IFA-Vertrieb and by intensified final-quarter purchasing of high-quality technical consumer goods, such as washing machines (+ 28 percent) and refrigerators (+ 43 percent) as well as textiles. Supply to the population was affected by frequently disrupted shipments to industries.

In public health and social services basic medical care was ensured in spite of considerable workforce problems. According to preliminary information from this sector, 404 public health and social services employees moved to the FRG in 1989, including 51 physicians, 20 dentists, and 192 staff employees of medical technical colleges.

To further complete the material-technical basis, six ambulatory medical and stomatological jobs were newly created in 1989.

At the end of November 1989, the bezirk had a population of 591,876. This is 3,300 less than in 1988. An excess birthrate of 1,274 was opposed by a migration loss of 4,574 people. By the end of November, 4,429 individuals had changed address to a foreign country.

Some 7,960 children were born in 1989, making it the lowest number since 1976. In 1988, the birthrate was 8,758.

#### **Underground Economy Revealed as Significant Income Factor**

*90EG0197A East Berlin*

*WIRTSCHAFTSWISSENSCHAFT in German No 2, Feb 90 pp 219-229*

[Article by Prof. Emeritus Dr. Guenter Manz, economist, member of editorial board of WIRTSCHAFTSWISSENSCHAFT: "'Underground Economy' in the GDR"]

[Text] At the beginning of the 1980's there were a multitude of publications in Western Europe (articles, books) on the "Underground Economy" and the "Second Economy" (also of the GDR). In addition to some agreement, there also existed differing opinions and violent polemics.<sup>1</sup> In the meantime, preoccupation with the "underground economy" has abated somewhat, particularly since little that is new could be added to it.

In the wake of these publications, some studies were made in Poland and Hungary on the "underground economy," and a few isolated studies also exist in the GDR. The following article, which now can be published, is based on studies and observations which had been discussed for years among scientists. The article is to stimulate discussion and contribute to the reflections on the necessary new economic and social policy. For the "underground economic" processes demonstrate how complicated an effective development of the very contradictory interrelations between economy and social policy is.

### Regarding the Starting Point

In most (not alternative) FRG publications, underground economy essentially denotes "moonlighting" and illegal and semilegal activities in the sphere of circulation and financial transactions. That should not be confused with the theory of a dual economy of the Greens/Alternatives.<sup>2</sup> According to that theory, as an alternative to the "profit system" and to many industrially contaminated foods, the family household is to assume ever more functions which concern one's own production of, for instance, fruit, vegetables, flowers, eggs, milk, meat, and wool on a biologically pure basis and go as far as making one's own clothes. Here we deal with an actual "second economy." In principle, a large part of the management of household affairs, that is housework during housework hours, is seen as productive activity and a true alternative to capitalist mass production. This informal sector, no matter what it is called, places the housewife/house husband as producers next to those working in the formal societal labor process.

In the GDR, also, one was occupied with this question years ago; in a dissertation, for instance, housework was declared productive and asset-creating. But in practice there are a number of problems of how to classify precisely and determine certain activities. Time budgeting research has been dealing with this for 25 years. It distinguishes, for instance, between contractually regulated working hours and additional working hours. In both cases there is production for the market, or services are performed for others. In principle it is a matter of productive work in both cases. But if there is no production for the market, then they may be housework hours or true leisure time use, or a hobby. Typical activities of this kind are gardening, raising animals, sewing, knitting, crocheting, handicrafts with metal, wood, plastics, etc. It is evident that there are many borderline cases and precise classification is difficult. But that is not important.

In my opinion, housework is not part of the "underground economy," while production for the market during the available work-free time (it is then a deduction from these nonworking hours) must in part be assigned to the "underground economy." This means that flowers, fruit, vegetables, knitted goods, clothing, handicraft objects, etc., for sale can be "underground economy." This qualification means in part that, in capitalism, it is "underground economy" for capital, while for the GDR, to a certain extent it is not. Part of the production by small gardeners and above all of

individual agricultural supplementary production is "on the balance sheet," officially bought and sold. (For simplicity's sake, the subsidy problem is not taken into account here.) Only what reaches the market beyond this calculable production is "underground economy." Typical housework is part of consumption and serves the preparation and completion of individual consumption. Time spent on housework is outside socially necessary labor; in my opinion it is not productive in the politico-economic sense and hence not producing national income.

Somewhat simplified, one can state for capitalism that all activities there are part of the "underground economy" which are outside the economic and financial legislation and can, therefore, no longer be called legal. But there are always borderline cases. The state monopolistic system loses many billions in taxes and levies because of the "underground economy," for which reason the study of a "second economy" became a focal point. The development of the "underground economy" must always be seen in the context of mass unemployment and the cyclical ups and downs. Even today there is still a relatively large amount of "moonlighting." The unemployed, students, foreigners, even craftsmen in part perform work for others without paying taxes on it and without deducting the legally established social security levies. At a high standard of wages, naturally millions of workers are interested in paying for labor (services) whose price/charge is below the official standard. Many foreigners eke out a living primarily through "moonlighting." For many an unemployed person it is an advantage to have an supplementary source of revenue in addition to unemployment benefits, unemployment relief, or national assistance.

In the circulation sphere, it is very difficult both in capitalism and in socialism to determine truly illegal or semilegal processes. Fictitious invoices, illegal imports and exports, the system of payments in kind, bankruptcy sales, lowering of quality, weight manipulations, etc., have always made trade an area of "underground economic" processes. Although a criminal offense, tax fraud is generally also included in the "underground economy." This exemplifies how difficult it is to draw any kind of delineation.

Hence studies of the present economies in Hungary and Poland concentrate primarily on circulation. The following aspects are being mentioned:

- In purchasing agricultural products: weight and price fraud, false quality labels, bribery, nonobservance of norms.
- In the trade and restaurant business: under-the-counter sales, weight and price fraud, withholding attractive merchandise, quality deteriorations, speculation, bribery.
- In private trade and procurement activities: buying and selling of scarce goods, private importation and sale of foreign products, housing procurement activities, black marketeering, smuggling.

—In exchange between firms: commodity exchanges between enterprises, unofficial procurements within enterprises, transactions at fictitious prices.

Although these points are valid, this approach seems too narrow to me.

While it is typical of the "underground economy" in capitalism that it evades financial and tax laws, but that the activities themselves are a component of the capitalist reproduction process, in socialism a large part of the "underground economic" processes are quite legal. These processes often are in direct connection with the officially planned reproduction process, but by their nature do not belong to the so-called planned economy. Every definition of "underground economic" processes, on the one hand, encounters limits and, on the other hand, cannot be delineated unequivocally. Essential for a differentiation are those economic activities which occur parallel to the planned reproduction process, i.e., which supplement it or can help secure it, but which can also be contrary to it and can more or less upset the national economy.

In general, the Polish and Hungarian publications use statements by Cassel (FRG) in order to characterize the "underground economy" in socialism. Summarizing the content, they deal with the entirety of all economic activities which, parallel to the official socialist sector, lead to the supply of goods and services and are not statistically covered and reported by the state apparatus. As a rule they are asset-producing, informal and nonregistered activities which take place in the area of goods circulation. Not taking into account that the problem is unjustifiably restricted and theoretically not clearly defined by the concentration on goods circulation and value added, the tendencies become clear in the concrete studies.

There is also the objection that the various manipulations in the circulation sphere, particularly in the retail trade, in principle are not an "underground economy" because, although goods—"legal" or illegal—are redistributed, demand is supplied overall and the quantity of goods remains the same.

In this I follow the international literature according to which the manipulation of goods in the trade is of an "underground economic" nature because the consumer goods are not officially offered, as planned for instance, but are "sold illicitly." Thus a certain group of buyers gains constant advantages at the expense of others and lines its pockets in one way or another, although not always financially.

#### "Underground Economy" in the GDR

Typical "underground economic" processes in the GDR concern chiefly the production and circulation phases. The following major tendencies and activities exist in production:

—Exchange in kind between enterprises to secure production requirements.

—Specific foreign trade activities outside the plan.

—Deterioration of quality at same prices.

—Exchange in kind between enterprises to ensure social tasks.

—Fictitious cooperation.

—Work after hours within the framework of planned tasks and organized by enterprises.

—Voluntary activities of cities and communities (quite positive per se).

—Work after hours by citizens for the private purposes of others.

The following activities exist in distribution/circulation:

—Buying and selling between citizens.

—Private, unauthorized rental of apartments.

—Manipulations in purchasing agricultural or garden products.

—Under-the-counter sales, including bribes and speculation.

—Weight and price fraud.

—Use of privileges for private sales.

In addition, the role of the West German mark, particularly in the circulation and consumption spheres, by its nature must be seen as "underground economy." This influx of West German marks (also Genex purchases or exchange checks on the basis of GDR citizens' activities abroad) and the practical existence of a second currency, which even influences the GDR price formation for delicacies and luxury goods, must be seen as a spontaneous process which produces very divergent effects. It concerns the following increases in individual consumption:

—Purchases in the Intershop.

—Genex purchases and gifts.

—Packages and parcels from the FRG and West Berlin.

—Gifts from visiting FRG citizens and citizens of other capitalist countries.

—Money circulation of West German marks between FRG and GDR citizens, and then between GDR citizens leading to purchases in the Intershop, exchange of West German marks at a spasmodically changing exchange rate

—Goods from the FRG/West Berlin, which were brought back by GDR citizens on the basis of the 15 West German marks from the GDR, the visitors' money, and gifts from relatives.

—Inheritances from the FRG and Western foreign countries.



### Estimates of the Extent of the Productive Kind of "Underground Economy"

#### 1. Productive Exchange of Material

A typical phenomenon of the 1950's was the exchange in kind of enterprises. The quotas assigned by accounting often could not be achieved according to plan. In addition to the official allocation of materials, a system of direct exchange of goods between enterprises came into being. This phenomenon declined with the stabilization of the national economy. At present this type of procurement of materials has again increased, and different materials are being traded in order to solve current difficulties over materials. Overall, this remains within the general framework of planned production, since there is hardly more produced. This exchange in kind shows that:

- A part of the overall assessment does not correspond to reality.
- Delivery dates and assortment of goods often do not correspond to the need of the buyers/users.
- Officially regulated procurements are evaded and thus other balance equations are put into question.
- The spontaneous processes of trading in kind correct the inadequate, imprecise and much too inflexible planning.

Overall, this exchange in kind alters the internal reproduction relations, but not the total process. The inference is that the actual processes and relations must be observed and not those distorted by bureaucratic and erroneous "balance sheet decisions." The entire present balance-sheet practice must be questioned.

#### Lower Quality, Dishonest Pricing

A typical phenomenon in the GDR and other CEMA countries is the more or less tolerated attempt to puff up the production and net product volume through prices. This goes so far that enterprises falsify statistics and, if caught, the falsifiers receive a fine on the part of the statistics. This side of the "underground economy" is economically harmful because it creates the illusion of production successes and revenue increases which do not exist in reality. A variation of that is the manufacture of products of inferior quality at the same price, or the manufacture of the same product at a now higher price. This latter method has been denounced for years (for instance, publicly in EULENSPIEGEL), but is being practiced time and again up to now. It is difficult to discern, because one produces and sells according to plan. It is almost impossible to prove these price manipulations, and they are also mostly sanctioned by the respective pricing authorities. Where it concerns means of production, the higher expenditures are included in the costs and are passed on, which means that it ultimately raises the stated goods production, although this is not justified in economic terms and is finally evident in the actual foreign currency profitability of exports. If

this production leads to higher retail sales prices, it means higher revenues; therefore there are hardly any objections by the trade. It becomes a problem when these products can no longer be sold and the populace is thus very dissatisfied with the assortment of goods. But so far, this is hardly noticeable for the enterprises.

A special aspect is the deliberate deterioration of quality, which can be proven worldwide. It is not difficult to prove this tendency in the GDR, also, with a great number of products, even in housing construction.

#### 3. Enterprises' Trading in Kind and Institutions for the Shaping of Living Conditions

Within certain limits, this part of the "underground economy" could be called "effective." It contributes to implementing the plans for "working and living conditions." The enterprises exchange vacation spots, children's vacation camps, vacation places and thus ensure better utilization. This also includes "trading vacationers—colleagues" among vacation services. That exchange between enterprises is quite understandable, since usually there are not enough vacation places during the season. But since a thousand places are thus distributed "for a specific purpose," this is a typical expression of an "underground economic" trade in kind. Conservation of this "recreation substance" (capital assets in the recreation system) of the vacation service of enterprises brings about certain problems, namely with regard to the following:

- Material is taken out of production because no regional allocations (balance share) can be expected, or because in the materials planning no funds are allocated for the enterprises' social-cultural institutions.
- Personnel are taken out of production and administration to maintain or get these institutions in order. The larger the enterprises, the easier it is for them to temporarily remove production workers and especially production craftsmen from the main process.

The causes for that lie, first of all, in the insufficient regional construction and service sector capacities, and secondly, in the inadequate supply of materials for maintenance and repair. Perforce a specific form of "underground economy" takes hold. Here, also, one must aim for efficient forms of full utilization and conservation of vacation places.

#### 4. Fictitious Cooperation

Through calculated but not really productive cooperation relations, the volume of own performance, industrial goods production and even the net product is seemingly increased. Against the background of actual productive services, these almost impenetrable relations are based on processing of a product by another enterprise, accounting procedures, etc. There are also a number of borderline cases, so that this general statement is only meant to point out the problem.

#### 5. "Work After Hours"

This "work after hours" is comprehensive and varied. It extends from the "planned" use of "additional workers" to West German mark payments for services rendered. The following forms are apparent:

- Work for others on the orders of enterprises and institutions (for other enterprises or citizens).
- Work for other citizens in coordination with local councils.
- Work for others within a framework of limits by local councils.
- Work for other citizens within the framework of societal tasks (for pay).
- Work for neighborhood area, apartment house, or apartment by the respective tenants (payment through municipal housing administration, horticultural office, and others).
- Work for others on free agreement within actual working hours.
- Work for others outside of one's own actual working hours (with materials supplies from obscure sources).
- Work for others outside of one's own actual working hours (materials provided by employer).

Not considering exceptions (during working hours, theft of materials), these activities are legalized. In the FRG, almost all of this is considered illegal moonlighting. The great lack of service sector capacities of a productive type (bricklayers, plumbers, roofers, tile setters, fitters, electricians, painters, builders of wells, tailors, auto mechanics, radio mechanics, bicycle mechanics, transporters, woodcutters, etc.) in the GDR makes it more or less inevitable for every citizen to employ private suppliers of services. Since hourly wages are between 15 and 25 marks (sometimes higher in Berlin) and some craftsmen demand even higher wages (also in West German marks), there is a noticeable redistribution of the populace's income to the occupational groups named or to workers who perform such work (often in inadequate quality). On the basis of my studies of electricians, plumbers, well builders and bricklayers, average annual revenues from work after hours amount to from 4,000 up to 5,000 marks (200 hours annually), year after year. But there are also quite a number of working people with even higher incomes. One bricklayer who was questioned worked 15 hours each on 30 weekends. His revenues came to about 10,000 marks. In addition, the employers provided food and beverages, as is usually the rule.

Estimates are very difficult. The sums paid out are considerable even for official work after hours and must be estimated at M 1.5 billion on the basis of accounting. These are revenues from public funds. Since, at a rough estimate, up to 1 million workers may be doing work

after hours (up to 50 percent of the labor force in respective occupation groups), at the estimated average revenues of M 4,000 annually, one must figure on a redistribution of at least M 4 billion. Actual figures naturally may deviate from that; nevertheless, the amounts are considerable, particularly because extensive redistributions occur in household incomes. Income from [regular] work is redistributed because of work after hours (and without paying taxes).

Under the existing circumstances, work after hours is indispensable. It has always been around in one way or another. Today, however, it has become a deliberate business, often combined with supply of materials which were illegally taken or bought "preferentially." Furthermore, extensive work after hours leads to the situation where the respective worker takes it easy or even claims illness at his proper place of work. Many studies will be needed to determine why there was failure over decades to create at least approximately adequate service sector capacities in order to cut down on economically unhealthy work after hours.

#### 6. Activities Within the Framework of the "National Reconstruction Program"

The press reports annual performances by the "National Reconstruction Program" (1988: 13 billion marks), above all for the improvement of cities and communities (apartments and housing neighborhoods). According to my own experience, this sum appears exaggerated, because the "blue-pencil" accounting is more than generous, yet there is remarkable labor by many citizens behind it. It extends from one's own work in the apartment and apartment house to the tending of public parks, constructing sidewalks, cleaning trash collection sites, removing snow, and washing windows. If the municipal housing administration pays the citizen directly for these services, or if one assumes that part of these revenues is used directly for individual consumption via housing accounts, these sums are officially recorded and were already taken into account. Other assessed services for which money is not paid directly to the citizen, are recorded in the real income accounting as indirect income. It is probable that part of the amounts paid into the housing accounts becomes effective as individual consumption, either in the form of house parties, children's parties, or through direct payment by the management of the housing community.

With the populace assuming tasks properly those of the municipal housing administration or the VEB [State enterprise] construction industry, respectively, and of other service institutions, this constitutes by its nature an "underground economy." Naturally, here also there are borderline cases. Thus some activities of the citizens must be assigned to their own hours of housework, since some activities have never been ascribed to the National Reconstruction Program. Other activities in principle should be carried out by the janitor, if there is one. Beyond that, accounting and financing vary greatly so that no precise estimate is possible.

## "Underground Economy" in the Circulation

### 1. General Aspects

In general, this area is seen as typical for "underground economic" processes. It is particularly strong if production cannot satisfy demand (demand backed by purchasing power), i.e., there is subconsumption. Of course, "undermining" of a high price level and other things are also part of the "underground economy." There is also the added factor for the GDR (for Poland, for example, from the United States) that there is the influx of great amounts of money and goods from the FRG populace which change the structure of consumption spontaneously and in many ways. One must consider this theoretically as "second economy," particularly because the social effects must be seen as contradictory. But it is also clear that the GDR foreign trade organs hitherto were not able to satisfy, through imports, the real consumption of coffee, chocolate, cosmetics, clothing, etc.

Hence the "underground economy" in the circulation, with a view to individual consumption, must be considered under a broad aspect:

1. Since World War II, the need for many products is not satisfied, or only insufficiently so, in today's GDR. Since 1950 it has been demanded in many "resolutions" that production and supply conform to need. Time and again, reports are published in the press about which goods are in short supply, what deficiencies occur in distribution, how there is speculation with products, what quality defects exist, etc. These facts do not contradict the reality that the population—at least the majority—have spent their money somehow and have bought whatever happened to be available. This development has had generally negative effects on the production and consumption structure. Furthermore, there are sectors of the population (15-20 percent) who have so much money (for instance, savings accounts) that they can afford to buy all expensive consumer goods at any time, own duplicates and triplicates even of scarce goods, although the people's needs thereof ultimately are not satisfied. Despite this fact, the problem of supplying needs is decisive for the mass of the people, not for this stratum of the well-to-do.

2. The consumption structure of the GDR population is changed considerably by the influx of consumer goods from the FRG and West Berlin. Whoever has only few West German marks (official exchange), considers himself a "victim" and falls behind in the consumption level. This tendency is reinforced by the fact that those working abroad officially enjoy additional sources (Genex, exchange checks), thereby aggravating the aforementioned difference.

3. The chronic subconsumption in the case of a number of consumer goods and services automatically leads to a "system of connections," such as trade in kind, gratuities and bribes, abuse of privileges, speculation. Naturally, normal buying and selling of products among the populace, for instance used merchandise, is a typical circulation process. The problem starts when certain goods become the

object of speculation, such as scarce products (for example, passenger cars, real estate lots, spare parts) or imported goods for which GDR prices are very high (entertainment electronics, gold, jewelry), or products which do not even exist in the GDR retail trade (electric heaters, video equipment, microwave appliances), or products which are of low quality in the GDR. In theory, the law of value (on the basis of supply and demand) here has taken over objectively. This spontaneous application of objectively working economic laws has at present not yet been dealt with in theory and practice. Certain legal regulations can restrict obvious criminal activities but cannot change the spontaneity of the economic process.

4. The low prices for rents, basic foods and certain standard products and services have a great social effect, particularly for population groups with a relatively low income level. A price increase due to elimination of subsidies requires protective measures on income policy.

Its low level has various specific effects:

—The housing need for a large, comfortable apartment is strengthened by low rents. Everyone can afford a good apartment and applies for one. A certain order is maintained only by administrative methods. Second apartments (one partner lives with the other and sublets his apartment) and rooms, respectively, become objects of speculation.

—Housing becomes dilapidated because of a lack of revenues for the municipal housing administration and a lack of capacities. Many thousands of apartments would not have to be built if existing housing had been preserved and were steadily renovated.

—There is a tendency in the sector of basic foodstuffs that a number of better products are moved to the category of delicacies, and that in general, unhealthy nutrition (too much fat) is being promoted. Certain high-quality and simultaneously inexpensive products cannot always be found because they are exchanged in the "trade in kind."

—Through the growing production levy on "new" or imported products, the difference between basic foodstuffs and "high quality" products often becomes economically and socially unacceptably high. Financing of subsidized products through production levies no longer corresponds to today's consumption and income structure.

—Through tourism and the payment of more than DM1 billion of visitors' money, and also through illegal exports of certain consumer goods from the GDR (children's shoes, children's clothing, foodstuffs, and nonessential foods and beverages), some citizens could calculate on an exchange of West German marks into marks (at exchange rates of 1:7 to 1:20) with an actual purchasing power of about 1:1 between the two monetary units. Similar transactions have been made for years by Allied personnel in (West) Berlin and also by some Polish citizens. With the exchanged money one can



de facto raise one's consumption standards spasmodically at the expense of the GDR economy. To the extent that these processes involve GDR citizens, one must include them in the "underground economy," because the mark is an internal currency which must not be imported or exported. All this is linked to further questions which cannot be dealt with more extensively here.

## 2. "Underground Economy" in GDR Trade

The many forms of "internal goods sales" through the retail trade lead, on the one hand, to preferential supplying of some citizens and, on the other hand, to supplementary revenues for a number of trade employees. Such forms are in detail:

- Trade in kind between sales outlets and with small craftsmen's businesses and service sector businesses.
- Sales by staff within the retail trade establishments.
- Holding back merchandise for "good customers."
- Handing over merchandise for or after a "gratuity."
- Resale of acquired scarce goods, of employees' free allowance in kind, or of products of present "privileged purchases."
- Telephone orders for scarce goods by offices and enterprises.
- Direct sales to preferred customers by the wholesale trade with or without approval by sales outlets.
- Abuse of "priority provisions for important centers" for resale.
- Personal purchases of interesting goods by employees in buying and selling establishments.
- Fraudulent manipulations of prices and quantities.

A number of these relations have always existed in daily life, not only in the GDR, and cannot be eliminated very easily. But in the GDR a "gray market" has developed which continues to expand. It, too, follows objective economic laws and can ultimately be eliminated only through an adequate supply of goods corresponding to demand. It cannot be estimated how many billion marks are being redistributed through the means and forms mentioned. In any case, the contrasts in supply—which anyway does not correspond to demand—are even more aggravated thereby. The cause, scarcity, hence leads to predictable effects which reinforce even more profoundly the true cause of insufficient supply. Purchases in the GDR by foreign citizens for speculative reasons promotes the "underground economy" in those countries and weakens, as said before, the GDR economy.

## 3. Supplementary Incomes of GDR Citizens on the Basis of West German Marks, i.e., Gifts

In countries which had many emigrants in the past, the relatives residing there have always received money or

gifts in kind from the emigrants, inasmuch as they found work and made money in "rich" countries. This holds true, for instance, for Poland, Slovakia, and partly for Hungary and Romania. For one, because of the partition of Germany into two autonomous states, and due to flight from the republic or emigration of almost 4 million people from the GDR, qualitatively entirely new economic and social relations have developed between relatives, friends, acquaintances, former colleagues. Since the average consumption standard of a working family in the FRG is higher than in the GDR, and since there exist great differences in the range and quality of consumer goods, and furthermore, GDR visitors were also paid visitors' money, many goods flow into the GDR from the FRG in various ways. Naturally, there is also a reverse flow concerning, for instance, books, records, ceramics, etc., but it is relatively small. Although the FRG share is decisive, one must also take into account revenues from other countries which show up above all in the Genex and Intershop trade. Of course, one can only make a rough estimate of the influx of funds and goods. But they demonstrate the trend how the actual consumption structure of the GDR population is being changed and differentiated.

According to various FRG sources, particularly the mass media, in 1989 more than DM1 billion were paid out in visitors' money, although cities and communities varied in payments for pensioners' travels until the fall of 1989; 25 million packages, valued at about DM1 billion, were sent to the GDR; the value of gifts to GDR citizens also amounted to more than DM1 billion. At present it cannot be assessed whether this also includes monetary gifts and gifts via Genex. One may assume that, in addition to the over DM3 billion, one must take into account a large part of the Intershop turnover and part of the Genex business. Furthermore, West German marks come to the GDR from inheritances.

If one starts from "Exquisit" and "Delikat" prices for imported products, in particular from the FRG, a conversion of 5 to 6 marks for 1 West German mark is appropriate and cautious. This means that additional consumer goods worth about 25 billion marks (approximately 20 percent of retail trade revenues), in whatever form, are consumed by the GDR populace. Since only a part of the population enjoys a greater supplementary consumption, there exists a specific differentiation between families. But there are no studies whatsoever on how and to what extent this differentiation process runs its course. In part, it changes considerably internal GDR consumption on the basis of real wages (purchasing power of net wages or net monetary income). This process is positive insofar as it relieves foreign trade of imports and increases per capita consumption. Actual per capita consumption of coffee, cocoa, chocolate, soap, cosmetics, canned fruit, tropical fruit, spices, electric products, household appliances, computers, entertainment electronics, clothing, knitwear, leather clothing, etc., is considerably higher than stated in the Statistical Yearbook. But if the economic and political effects of



this are to be estimated on a differentiated basis and to be evaluated politically, there also result negative side effects of this supplementary consumption for the GDR economy.

#### Footnotes

1. Compare appended bibliography.

2. See D. Schadow, "Dualwirtschaftskonzeptionen in der BRD—gruene Utopie und realer Impuls" [Dual Economy Concepts in the FRG—Green Utopia and Real Impulse], *WIRTSCHAFTSWISSENSCHAFT*, No. 1/1989, p. 92ff.

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12. D. Schadow, "Dualwirtschaftskonzeptionen in der BRD—gruene Utopie und realer Impuls" [Dual Economy Concepts in the FRG—Green Utopia and Real Impulse], *WIRTSCHAFTSWISSENSCHAFT*, No. 1/1989, p. 92ff.

13. D. Schadow, "Zum Entwicklungsstand Wirtschaftspolitischer Vorstellungen der Gruenen in der BRD" [On the State of Development of Economic Policy Concepts of the Greens in the FRG], *ibid.*, No. 2/1988, p. 253ff.

## HUNGARY

### China Contingent Trade Yields Oceangoing Vessels

25000644A Budapest NEPSZAVA in Hungarian  
25 Jan 90 p 12

[Text] The Hungarian Shipping Company, Incorporated [MAHART] will soon purchase three 3,600-ton-capacity ships from China. The ships are equipped for container transportation. The purchase is covered by a valid agreement and will not be charged against a foreign exchange account. Instead, the transaction will be part of clearing settlement.

This is the first time in the history of Hungarian ocean-going vessel procurement that MAHART has not bought series production vessels, but is having them custom-built instead. Hungarian requirements were taken into consideration in the course of the design of the ships. The ships will be able to carry 156 containers or large-sized goods. They will be equipped with two 25-ton capacity cranes each.

The first ship is expected to be delivered in March. Delivery has been substantially delayed as compared to the conditions specified in the agreement.

## POLAND

### Spain Proposes Aid in Exchange for Investment Opportunities

90EP0329A Warsaw RYNIKI ZAGRANICZNE in Polish  
No 156, 30 Dec 89 p 8

[Article by Maciej Tekielski: "Spanish Proposals for Aid and Cooperation"]

[Text] Poland and Spain are frequently compared to each other due to their supposed similarity, which

reduces primarily to the size of their populations. As regards economics, Spain surpasses Poland decisively, although fairly recently Spain solved some problems dear to us like eliminating export monopolies, introducing currency convertibility, restructuring some branches of industry, and opening the economy to the world. Now Spain is proposing Poland make use of its experience in gradually limiting state interventionism and in liberalizing the economy. Such a proposal, among others, was made to Poland during the third session of the Intergovernment Mixed Commission, which was recently held in Madrid under the chairmanship of Andrzej Wojcik, secretary of state in the Ministry of Foreign Economic Cooperation, and Apolonio Ruiz Ligerio of the Spanish Ministry of Economics and the Treasury.

A number of offers of cooperation and aid due to the desire to support political and economic reforms in Poland were presented during the session. They were specifications of the declarations made during King Juan Carlos's visit to Poland. These proposals primarily concern loans and loan guarantees for exporters and possible Spanish investors prepared to invest capital in Poland.

The value of bilateral trade is very low and does not reflect the ability of both sides. According to Spanish statistics, in 1984-87, shipments to Poland amounted to about \$35 million, and in 1988 they reached \$52 million. Imports from Poland varied greatly, reaching their highest level during the last five years in 1984—nearly \$130 million—only to fall to \$60 million in 1986 and rise to \$80 million in 1988. In the record year 1984, however, two groups of goods made up nearly 90 percent of Polish exports to Spain: coal and frozen fish. In 1988, the proportion of these items dropped to 25 percent which shows a progressive diversification of Poland's exports.

The Spanish government proposals for facilitating loans for Poland as part of the plan to support political and economic reforms includes several items. For example, the current symbolic government guarantees for short-term loans was raised to \$50 million. Guarantees for intermediate and long-term loans were raised to the same level. Further, those undertakings of interest to both partners that gain support can count on financial support without a preset limit.

Spain has also made it possible for Poland to enjoy loan preferences of \$40 million. Loans of this type are usually reserved for developing countries. These are loans [word missing] with a 10-year grace period and a 1.5-percent rate of annual interest.

This country has declared the ending of restrictions on our exports in accord with the November decision of the EEC of which it is a member. Poland has also been given an opportunity to benefit from the General System of Preferences.

Both countries intend to support investments in each other. Soon an agreement on bilateral promotion and guarantees for investments is to be signed in order to create an atmosphere of trust for investing in Poland. Those firms have recently shown significant interest in forming joint ventures in Poland. So far, five such applications have been registered at the Agency for Foreign Investments.

Spain is also offering, as has been said, its experience in the gradual liberalization of an economy. The emphasis in these proposals on "gradual" is noticeable, which is a discrete commentary on Poland's ambitious plans to conduct a transformation of the economy as rapidly as possible.

Another offer involves making use of the experience of the highly developed Spanish system of export promotion. The Institute for the Promotion of Foreign Trade created and financed by the Spanish government conducts very wide-ranging operations, including organizing participation in international fairs and the publication of promotional literature. In 1990, Spain will participate in the Poznan International Trade Fair for the first time in a collective national pavilion.

It is also possible cooperation between the chambers of commerce will be broadened. The federation of these Spanish chambers has proposed organizing a seminar on the theoretical and practical aspects of the operation of such institutions for the leadership of the recently formed chambers in Poland. The opportunities for deepening cooperation are very broad, and the Spanish government's support of this offer by facilitating loans and other promotional instruments opened up real opportunities for implementing them.

#### **British Auditing Firm Enters Appraisal Market**

*26000015 Warsaw RZECZPOSPOLITA in Polish  
11 Jan 90 p 3*

[Article by (T.B.): "Ernst and Young To Appraise Our Assets"]

[Text] The second largest international auditing firm in the world, Ernst and Young, signed an agreement on 9 January to cooperate with the Society of Consultants and Advisors Inc. This allows it to enter the Polish market permanently, a market which is now characterized by a very great need for a professional appraisal of the enterprises' assets.

The director of the East Europe Department of Ernst and Young, John Howell, told RZECZPOSPOLITA's reporter that the firm has already opened partnerships in the USSR and in Hungary.

In Poland, Ernst and Young has already carried out appraisals of the value of our merchant fleet and the Elblag Zamech, among others. It is presently at the service of the government for any and all privatization operations.

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